

GIRL SCOUTS OF OREGON
AND SOUTHWEST WASHINGTON, INC.

Audited Financial Statements

For the Year Ended September 30, 2024



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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McDonald Jacobz, P.C.

Portland, Oregon
February 18, 2025

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON
STATEMENT OF FINANCIAL POSITION
September 30, 2024
(With comparative totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 329,827	\$ 2,555,588
Short-term investments	2,610,405	-
Accounts and other receivables, net	29,380	25,544
Contributions receivable, net	81,250	623,162
Inventory	307,694	319,915
Prepaid expenses	206,106	151,476
Investments	10,323,158	8,632,789
Operating lease right-of-use assets	291,953	79,369
Beneficial interest in perpetual trusts	777,092	666,041
Property and equipment, net	<u>8,807,031</u>	<u>8,760,309</u>
TOTAL ASSETS	<u><u>\$ 23,763,896</u></u>	<u><u>\$ 21,814,193</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 529,872	\$ 579,879
Accrued payroll and related expenses	638,055	568,259
Deferred revenue	66,074	63,391
Operating lease liabilities	<u>295,732</u>	<u>80,264</u>
Total liabilities	<u>1,529,733</u>	<u>1,291,793</u>
Net assets:		
Without donor restrictions:		
Undesignated	1,918,795	1,826,158
Board designated investment reserve	8,531,107	7,094,461
Board designated endowment	341,243	292,840
Net investment in property and equipment	<u>8,794,973</u>	<u>8,747,641</u>
Total net assets without donor restrictions	<u>19,586,118</u>	<u>17,961,100</u>
With donor restrictions:		
Net assets with expiring restrictions	765,828	844,022
Net assets with perpetual restrictions	<u>1,882,217</u>	<u>1,717,278</u>
Total net assets with donor restrictions	<u>2,648,045</u>	<u>2,561,300</u>
Total net assets	<u>22,234,163</u>	<u>20,522,400</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 23,763,896</u></u>	<u><u>\$ 21,814,193</u></u>

See notes to financial statements.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024
(With comparative totals for 2023)

	2024			2023
	Without Donor	With Donor Restrictions		
	Restrictions	Expiring	Perpetual	Total
Public support and revenue:				
Product sales	\$ 13,742,220	\$ -	\$ -	\$ 13,742,220
Less: cost of sales	(5,661,630)	-	-	(5,661,630)
Net proceeds from product sales	8,080,590	-	-	8,080,590
Grants and contributions	466,361	624,978	-	1,091,339
Government grants	-	271,549	-	271,549
Bequests	189,428	-	53,888	243,316
Program fees	765,401	-	-	765,401
Rental income	176,844	-	-	176,844
Other income	201,017	-	-	201,017
Net assets released from restrictions and other transfers	1,176,876	(1,176,876)	-	-
Total public support and revenue	11,056,517	(280,349)	53,888	10,830,056
Operating expenses:				
Program services	9,324,710	-	-	9,324,710
Management and general	994,560	-	-	994,560
Fundraising	582,807	-	-	582,807
Total operating expenses	10,902,077	-	-	10,902,077
Operating income	154,440	(280,349)	53,888	(72,021)

Continued

See notes to financial statements.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024
(With comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions		Total
		Expiring	Perpetual	
Operating income				
<i>Brought forward</i>	<u>154,440</u>	<u>(280,349)</u>	<u>53,888</u>	<u>(72,021)</u>
				<u>219,916</u>
Non-operating activities:				
Investment activity:				
Investment return, net	1,598,251	202,155	-	1,800,406
Change in value of beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>111,051</u>	<u>111,051</u>
Total investment activity	<u>1,598,251</u>	<u>202,155</u>	<u>111,051</u>	<u>1,911,457</u>
				<u>666,359</u>
Loss on disposal of property and equipment	(2,456)	-	-	(2,456)
				<u>(2,277)</u>
Frozen defined benefit plan contributions - Board approved	<u>(125,217)</u>	<u>-</u>	<u>-</u>	<u>(125,217)</u>
				<u>(132,089)</u>
Total non-operating activities	<u>1,470,578</u>	<u>202,155</u>	<u>111,051</u>	<u>1,783,784</u>
				<u>531,993</u>
Change in net assets	1,625,018	(78,194)	164,939	1,711,763
				<u>751,909</u>
Net assets:				
Beginning 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>
End of year	<u>\$ 19,586,118</u>	<u>\$ 765,828</u>	<u>\$ 1,882,217</u>	<u>\$ 22,234,163</u>
				<u>\$ 20,522,400</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, 2024
(With comparative totals for 2023)

	2024				2023
	Program Services	Management and General	Fundraising	Total	Total
Salaries and related costs	\$ 5,829,142	\$ 840,477	\$ 512,811	\$ 7,182,430	\$ 6,677,722
Occupancy	531,082	3,495	2,353	536,930	488,821
Insurance	197,694	17,176	1,388	216,258	195,613
Travel, training and conference	173,074	47,605	18,379	239,058	257,294
Telephone	88,321	1,486	788	90,595	78,779
Printing	67,211	730	9,582	77,523	125,119
Supplies	145,971	2,396	5,456	153,823	259,350
Assistance to members	176,091	-	-	176,091	117,624
Professional fees	453,944	55,340	3,636	512,920	374,401
Incentives and appreciation	554,005	3,551	298	557,854	529,146
Equipment rental and maintenance	195,319	3,216	17,609	216,144	220,462
Bank and credit card charges, net of card benefits	109,086	68	5,033	114,187	110,807
Depreciation	712,083	3,329	3,221	718,633	672,519
Frozen defined benefit plan contributions	181,295	3,149	3,372	187,816	198,127
Postage and other expenses	31,262	14,641	1,129	47,032	78,375
Cost of products sold	<u>5,661,630</u>	<u>-</u>	<u>-</u>	<u>5,661,630</u>	<u>5,001,111</u>
Total expense by function	15,107,210	996,659	585,055	16,688,924	15,385,270
Less cost of products sales, netted with revenue	(5,661,630)	-	-	(5,661,630)	(5,001,111)
Less frozen defined benefit plan contribution reported as non-operating	<u>(120,870)</u>	<u>(2,099)</u>	<u>(2,248)</u>	<u>(125,217)</u>	<u>(132,089)</u>
Total operating expenses	<u>\$ 9,324,710</u>	<u>\$ 994,560</u>	<u>\$ 582,807</u>	<u>\$ 10,902,077</u>	<u>\$ 10,252,070</u>

See notes to financial statements.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON
STATEMENT OF CASH FLOWS
For the year ended September 30, 2024
(With comparative totals for 2023)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash receipts:		
Grants and contributions	\$ 1,819,738	\$ 640,358
Government grants	271,549	634,314
Product sales	13,742,220	12,670,399
Program fees	768,084	766,510
Interest, dividends and other income	<u>525,289</u>	<u>410,734</u>
Total cash receipts	<u>17,126,880</u>	<u>15,122,315</u>
Cash disbursements:		
Product purchases	5,649,409	5,023,428
Payroll and related expenses	7,050,035	6,510,281
Other operating expenses	3,017,184	2,887,119
Operating leases	82,642	82,619
Frozen defined benefit plan	<u>187,816</u>	<u>198,127</u>
Total cash disbursements	<u>15,987,086</u>	<u>14,701,574</u>
Net cash flows from operating activities	<u>1,139,794</u>	<u>420,741</u>
Cash flows from investing activities:		
Purchase of property and equipment	(767,811)	(663,749)
Purchase of investments	(4,177,007)	(3,328,780)
Proceeds from the sale of investments	<u>1,525,375</u>	<u>2,069,366</u>
Net cash flows from investing activities	<u>(3,419,443)</u>	<u>(1,923,163)</u>
Cash flows from financing activities:		
Contributions to perpetual endowment	<u>53,888</u>	<u>52,187</u>
Net cash flows from financing activities	<u>53,888</u>	<u>52,187</u>
 Net change in cash and cash equivalents	 (2,225,761)	 (1,450,235)
Cash and cash equivalents - beginning of year	<u>2,555,588</u>	<u>4,005,823</u>
Cash and cash equivalents - end of year	<u><u>\$ 329,827</u></u>	<u><u>\$ 2,555,588</u></u>
Supplemental cash flow information:		
Non-cash investing and financing activities:		
Obtaining right-of-use assets in exchange for lease liabilities	<u><u>\$ 291,193</u></u>	<u><u>\$ 158,753</u></u>

See notes to financial statements.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2024

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 16,000 members throughout Oregon, and Clark, Klickitat 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 and Allowance for Credit Losses

Accounts receivable consist of amounts billed for programs and sales and are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. In determining the amount of the allowance as of the statement of financial position date, the Council estimates an overall loss rate to the balances outstanding at year end. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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

Accounts Receivable and Allowance for Credit Losses, Continued

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables held at September 30, 2024 and 2023 because the composition of the trade receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes.

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.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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

Leases, Continued

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.

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.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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

Revenue Recognition, Continued

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, 2024, the Council recorded approximately \$2,900 (\$2,400 in the year ended September 30, 2023) of in-kind professional services which are included in management and general.

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.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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

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 \$38,000 and \$44,100 for the years ended September 30, 2024 and 2023, respectively.

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 2023

The financial information as of September 30, 2023 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Adoption of New Accounting Standard

As of October 1, 2023, the Council adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost. Financial assets held by the Council that are subject to the guidance in FASB ASC 326 include accounts receivable. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

The Council adopted this change in accounting principle as of October 1, 2023 using the modified retrospective method. Accordingly, financial information for periods prior to the date of initial application has not been adjusted. The adoption did not result in an effect on amounts reported in the statement of financial position and statement of activities for the year ended September 30, 2023.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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

Subsequent Events

The Council has evaluated all subsequent events through February 18, 2025, 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.

Financial assets available for general expenditure consist of the following at September 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 329,827	\$ 2,555,588
Short-term investments	2,610,405	-
Accounts and other receivables, net	29,380	25,544
Contributions receivable, net	81,250	623,162
Investments	10,323,158	8,632,789
Beneficial interest in perpetual trusts	777,092	666,041
	<u>14,151,112</u>	<u>12,503,124</u>
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions, excluding		
restricted land and building	2,635,987	2,548,632
Board designations	8,872,350	7,387,301
Financial assets available for general expenditure	<u>\$ 2,642,775</u>	<u>\$ 2,567,191</u>

The board designated reserve is available for spending when approved by the Board of Directors. See Note 9 regarding board designated net assets. See Note 12 for the Council's endowment policies which describe the spending rate for both donor-restricted endowment funds and funds designated by the board as endowments.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

3. ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are unsecured and consist of the following at September 30, 2024 and 2023:

	2024	2023
Accrued interest receivable	\$ 28,329	\$ 24,769
Accounts receivable	7,795	8,570
Total accounts and other receivables	36,124	33,339
Less allowance for credit losses	6,744	7,795
Accounts and other receivables, net	<u>\$ 29,380</u>	<u>\$ 25,544</u>

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give as follows at September 30, 2024 and 2023:

	2024	2023
Contributions receivable within one year	\$ 31,250	\$ 623,801
Within two to five years	50,000	-
Total contributions receivable	81,250	623,801
Less allowance for uncollectible accounts	-	639
Contributions receivable, net	<u>\$ 81,250</u>	<u>\$ 623,162</u>

The Council was awarded a grant with a remaining balance of \$29,500 contingent on meeting matching requirements and program performance. Accordingly, the conditional pledge is not reflected in the financial statements. The Council will recognize the pledge as revenue when conditions have been met.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

5. INVESTMENTS

Investments are summarized as follows at September 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 70,621	\$ 459,825
U.S. Government and corporate debt securities	5,254,348	2,126,657
Equity securities	5,816,543	4,507,978
Beneficial interest in assets held at Oregon Community Foundation	1,792,051	1,538,329
Total investments	<u>\$ 12,933,563</u>	<u>\$ 8,632,789</u>
Short-term investments	\$ 2,610,405	\$ -
Long-term investments	10,323,158	8,632,789
	<u>\$ 12,933,563</u>	<u>\$ 8,632,789</u>

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.

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 1.5 to 4.3 years.

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

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

6. OPERATING LEASES, Continued

The following summarizes the line items in the statements of financial position which include amounts for operating leases as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Right-of-use-assets	\$ 291,953	\$ 79,369
Operating lease liabilities	\$ 295,732	\$ 80,264

The following summarizes the weighted average remaining lease term and discount rate as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term	4 years	2.4 years
Weighted average discount rate	3.85%	4.17%

The maturities of operating lease liabilities as of September 30, 2024 are as follows:

Year ending September 31, 2025	\$ 83,731
2026	77,611
2027	67,773
2028	69,866
2029	22,827
	<u>321,808</u>
Less discount/interest	(26,076)
Present value of lease liabilities	<u>\$ 295,732</u>

For the years ended September 30, 2024 and 2023, operating lease cost totaled approximately \$83,900 and \$83,500, respectively, and is included in occupancy on the statement of functional expenses.

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.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

7. BENEFICIAL INTEREST IN PERPETUAL TRUSTS, Continued

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>
September 30, 2024			
Vanstrom Trusts	\$ 2,190,945	25%	\$ 547,736
Lynch Trust	1,146,779	20%	<u>229,356</u>
Total beneficial interest			<u><u>\$ 777,092</u></u>
September 30, 2023			
Vanstrom Trusts	\$ 1,875,141	25%	\$ 468,785
Lynch Trust	986,282	20%	<u>197,256</u>
Total beneficial interest			<u><u>\$ 666,041</u></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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 2,285,369	\$ 2,285,369
Buildings	8,134,056	8,134,056
Building improvements	5,431,136	4,977,538
Furniture and equipment	1,821,981	1,594,876
Vehicles	<u>236,133</u>	<u>179,841</u>
	17,908,675	17,171,680
Less accumulated depreciation	<u>9,101,644</u>	<u>8,411,371</u>
Property and equipment, net	<u><u>\$ 8,807,031</u></u>	<u><u>\$ 8,760,309</u></u>

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

8. PROPERTY AND EQUIPMENT, Continued

Property and equipment includes buildings and improvements with a net book value of \$1,572 and \$2,182 at September 30, 2024 and 2023, 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, which can be released by a vote of the Board, consist of the following at September 30, 2024 and 2023:

	2024	2023
Operating reserve	\$ 7,180,204	\$ 5,973,290
Future programs and capital needs	1,350,903	1,121,171
Total board designated investment reserve	8,531,107	7,094,461
Board designated endowment (Note 12)	341,243	292,840
Total board designated net assets	<u>\$ 8,872,350</u>	<u>\$ 7,387,301</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2024 and 2023:

	2024	2023
Net assets with expiring donor restrictions:		
Lynch Trust distributions	\$ 30,808	\$ 46,706
Net book value of donated buildings	1,572	2,182
Endowment earnings (Note 12)	373,821	222,390
Other restrictions	359,627	572,744
Total net assets with expiring donor restrictions	<u>765,828</u>	<u>844,022</u>
Net assets with perpetual donor restrictions:		
General endowment funds	88,373	88,373
Named endowment funds	1,006,266	952,378
Beneficial interest in perpetual trusts	777,092	666,041
Total endowment funds (Note 12)	1,871,731	1,706,792
Donated land	10,486	10,486
Total net assets with perpetual donor restrictions	<u>1,882,217</u>	<u>1,717,278</u>
Total net assets with donor restrictions	<u>\$ 2,648,045</u>	<u>\$ 2,561,300</u>

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

II. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with expiring restrictions were released from associated restrictions during the years ended September 30, 2024 and 2023 as follows:

	2024	2023
Satisfaction of purpose and time restrictions	\$ 1,125,542	\$ 1,173,356
Expended earnings from donor-restricted endowment funds and other adjustments	50,724	46,317
Depreciation of donated buildings and improvements	610	610
Total net assets released from restrictions	<u>\$ 1,176,876</u>	<u>\$ 1,220,283</u>

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 7. 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, 2024

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 7, 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, 2024

12. ENDOWMENT, Continued

Changes in endowment net assets and the composition of those endowment net assets, for the year ended September 30, 2024 and 2023, are as follows:

Endowment fund activity	Board	Donor-Restricted Endowment		Total
	Designated Endowment	With Expiring Restrictions	With Perpetual Restrictions	
Endowment net assets -				
September 30, 2023	\$ 292,840	\$ 222,390	\$ 1,706,792	\$ 2,222,022
Contributions	-	-	53,888	53,888
Investment return	48,403	202,155	-	250,558
Appropriation of endowment assets for expenditure, net	-	(50,724)	-	(50,724)
Change in value of interest in perpetual trusts	-	-	111,051	111,051
Endowment net assets -				
September 30, 2024	<u>\$ 341,243</u>	<u>\$ 373,821</u>	<u>\$ 1,871,731</u>	<u>\$ 2,586,795</u>
Endowment fund composition				
September 30, 2024				
OCF balances	\$ 341,243	\$ 373,821	\$ 1,076,987	\$ 1,792,051
Perpetual trusts	-	-	777,092	777,092
Savings account	-	-	17,652	17,652
	<u>\$ 341,243</u>	<u>\$ 373,821</u>	<u>\$ 1,871,731</u>	<u>\$ 2,586,795</u>

Endowment fund activity	Board	Donor-Restricted Endowment		Total
	Designated Endowment	With Expiring Restrictions	With Perpetual Restrictions	
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>
Endowment fund composition				
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>

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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 that 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, 2024 and 2023.

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:

	2024	2023
Cookie sales	\$ 13,122,375	\$ 12,061,741
Council shop and trading post sales	619,845	608,658
Program fees	765,401	756,900
Rental income	176,844	183,909
Total revenue recognized at a point in time	<u>\$ 14,684,465</u>	<u>\$ 13,611,208</u>

The beginning and ending contract balances are as follows:

	September 30,		
	2024	2023	2022
Contract liabilities:			
Deferred revenue - program fees and rentals	<u>\$ 66,074</u>	<u>\$ 63,391</u>	<u>\$ 53,781</u>

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, 2024 and 2023.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

14. PRODUCT SALES ACTIVITY

Product sales activity consists of the following for the year ended September 30, 2024, with comparative net proceeds totals for the year ended September 30, 2023:

		Cost of	Net Proceeds	
	Sales	Sales	2024	2023
Cookies and fall sale	\$ 13,122,375	\$ 5,334,683	\$ 7,787,692	\$ 7,371,155
Council shop and trading post	619,845	326,947	292,898	298,133
	<u>\$ 13,742,220</u>	<u>\$ 5,661,630</u>	<u>\$ 8,080,590</u>	<u>\$ 7,669,288</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, 2024. 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 2023 and 2024 were \$27.5 million and \$26 million, respectively. Aggregate contributions to be made in fiscal 2025 are expected to be \$26 million.

Aggregate annual contributions made by the Council in fiscal years 2024 and 2023 totaled approximately \$187,800 and \$198,100, 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, 2024 and 2023 totaled approximately \$182,400 and \$164,400, respectively.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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 \$107,900 and \$83,100 at September 30, 2024 and 2023, 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 totaled approximately \$187,000 and \$2.5 million as of September 30, 2024 and 2023, respectively.

For the years ended September 30, 2024 and 2023, the Council received approximately 71% and 70%, respectively, of total revenue from its cookie sales and fall sale programs. The cookie sales 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.

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. Due to the provider not being able to meet the needs of the Council, the provider and the Council mutually agreed to end the contract early and the Council entered into an agreement with a new provider in June 2024. Based on historical trends, purchases under this contract have approximated \$2.2 million per year.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

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, 2024 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 and bills	\$ 3,844,532	\$ -	\$ -	\$ 3,844,532
Corporate bonds	-	1,409,816	-	1,409,816
Total U.S. Government and corporate debt securities	<u>\$ 3,844,532</u>	<u>\$ 1,409,816</u>	<u>\$ -</u>	<u>\$ 5,254,348</u>
Equity securities:				
Common stocks:				
Communication services	\$ 335,725	\$ -	\$ -	\$ 335,725
Consumer discretionary	333,429	-	-	333,429
Consumer staples	289,440	-	-	289,440
Energy	100,683	-	-	100,683
Financials	419,624	-	-	419,624
Healthcare	448,599	-	-	448,599
Industrials	363,383	-	-	363,383
Information technology	1,231,570	-	-	1,231,570
Other	237,936	-	-	237,936
Small cap mutual fund	194,534	-	-	194,534
Exchange traded funds	1,168,732	-	-	1,168,732
International stocks	361,548	-	-	361,548
International equity mutual funds	163,350	-	-	163,350
Real estate funds	167,990	-	-	167,990
Total equity securities	<u>\$ 5,816,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,816,543</u>
Investments held at OCF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,792,051</u>	<u>\$ 1,792,051</u>
Perpetual trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,092</u>	<u>\$ 777,092</u>

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED
September 30, 2024

19. FAIR VALUE MEASUREMENTS, Continued

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
Total U.S. Government and corporate debt securities	<u>\$ 932,473</u>	<u>\$ 1,194,184</u>	<u>\$ -</u>	<u>\$ 2,126,657</u>
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 funds	40,823	-	-	40,823
Total equity securities	<u>\$ 4,507,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,507,978</u>
Investments held at OCF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,538,329</u>	<u>\$ 1,538,329</u>
Perpetual trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666,041</u>	<u>\$ 666,041</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, 2024

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 7, 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):

	2024		2023	
	OCF	Perpetual Trusts	OCF	Perpetual Trusts
Balance at beginning of year	\$ 1,538,329	\$ 666,041	\$ 1,406,951	\$ 629,862
Investment return	250,558	111,051	125,508	36,179
Additions	53,888	-	52,187	-
Distributions and adjustments	(50,724)	-	(46,317)	-
Balance at end of year	<u>\$ 1,792,051</u>	<u>\$ 777,092</u>	<u>\$ 1,538,329</u>	<u>\$ 666,041</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, 2024 and 2023, total inventory purchases approximated \$197,702 and \$213,300, 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, 2024 and 2023, dues remitted totaled approximately \$60,900 and \$58,000 respectively.