

**GIRL SCOUTS OF WESTERN WASHINGTON**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR YEAR ENDED**  
**SEPTEMBER 30, 2022)**



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(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2022)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Girl Scouts of Western Washington  
Seattle, Washington

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of Girl Scouts of Western Washington (the 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 Western Washington as of September 30, 2023, and the change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in fiscal year 2023, the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, we:

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

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

Board of Directors  
Girl Scouts of Western Washington

**Reports on Summarized Comparative Information**

The 2022 financial statements were audited by other auditors, whose report dated February 4, 2023, expressed an unmodified opinion on those statements. 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.

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

**CliftonLarsonAllen LLP**

Bellevue, Washington  
February 15, 2024

**GIRL SCOUTS OF WESTERN WASHINGTON  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2023 AND 2022**

<b>ASSETS</b>	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,067,188	\$ 1,364,168
Short-Term Investments	486,927	365,574
Accounts and Grants Receivable	219,489	194,728
Note Receivable, Current	32,204	1,954
Pledges Receivable, Current	361,070	317,019
Inventory of Girl Scout Merchandise	406,387	412,175
Prepaid Expenses	225,623	179,924
Total Current Assets	<u>2,798,888</u>	<u>2,835,542</u>
<b>NONCURRENT ASSETS</b>		
Long-Term Investments	8,691,244	7,984,112
Note Receivable, Long-Term	584,060	616,257
Pledges Receivable, Long-Term Portion	35,747	55,665
Property, Buildings, and Equipment, Net	7,302,604	7,542,652
Beneficial Interest in Perpetual Trust	158,204	140,284
Total Noncurrent Assets	<u>16,771,859</u>	<u>16,338,970</u>
<b>OPERATING RIGHT-OF-USE ASSET</b>	1,541,702	-
<b>FINANCING RIGHT-OF-USE ASSET</b>	<u>167,307</u>	<u>-</u>
Total Assets	<u><u>\$ 21,279,756</u></u>	<u><u>\$ 19,174,512</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 324,266	\$ 582,475
Accrued Expenses and Other Current Liabilities	675,123	559,737
Unearned Revenue	46,605	20,962
Current Portion of Obligations Under Capital Leases	-	146,526
Current Lease Liability - Operating	382,521	-
Current Lease Liability - Finance	113,526	-
Total Current Liabilities	<u>1,542,041</u>	<u>1,309,700</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred Rent Obligation	-	243,360
Obligations Under Capital Leases, Less Current Portion	-	174,555
Long-Term Lease Liability - Operating	1,399,078	-
Long-Term Lease Liability - Finance	107,485	-
Total Long-Term Liabilities	<u>1,506,563</u>	<u>417,915</u>
Total Liabilities	3,048,604	1,727,615
<b>NET ASSETS</b>		
Without Donor Restrictions	16,483,109	15,499,932
With Donor Restrictions	1,748,043	1,946,965
Total Net Assets	<u>18,231,152</u>	<u>17,446,897</u>
Total Liabilities and Net Assets	<u><u>\$ 21,279,756</u></u>	<u><u>\$ 19,174,512</u></u>

See accompanying Notes to Financial Statements.

**GIRL SCOUTS OF WESTERN WASHINGTON  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total 2023	2022
<b>REVENUE</b>				
Public Support:				
Contributions	\$ 1,071,649	\$ 757,456	\$ 1,829,105	\$ 1,884,802
Forgiveness of Paycheck Protection Program Loan	-	-	-	2,000,000
Employee Retention Tax Credit	1,380,116	-	1,380,116	663,075
Special Events	251,444	139,330	390,774	395,644
Contributed Nonfinancial Assets	148,038	-	148,038	145,770
Total Public Support	2,851,247	896,786	3,748,033	5,089,291
Program Service and Other Revenue:				
Cookie and Other Food Produce Sales, Less: Direct Costs of \$3,967,713 (2022 - \$3,303,734)	15,706,258	-	15,706,258	11,689,552
Program Services Fees, Net	740,577	-	740,577	697,102
Sale of Girl Scout Merchandise, Less: Cost of Sales of \$250,185 (2022 - \$75,286)	194,032	-	194,032	454,944
Investment Return	793,239	37,629	830,868	(1,575,824)
Change in Value of Split Interest Agreements	-	10,299	10,299	(43,147)
Forest Thinning and Oyster Harvest Revenue, Net	58,379	-	58,379	3,950
Miscellaneous	736,885	-	736,885	341,073
Gain (Loss) on Sale of Property and Equipment	-	-	-	(607,402)
Total Program Service and Other Revenue	18,229,370	47,928	18,277,298	10,960,248
Net Assets Released from Restriction	1,143,636	(1,143,636)	-	-
Total Revenue	22,224,253	(198,922)	22,025,331	16,049,539
<b>EXPENSES</b>				
Program Services	17,685,503	-	17,685,503	14,563,912
Management and General	2,443,144	-	2,443,144	2,593,213
Fundraising	1,112,429	-	1,112,429	1,032,050
Total Expenses	21,241,076	-	21,241,076	18,189,175
<b>CHANGE IN NET ASSETS</b>	983,177	(198,922)	784,255	(2,139,636)
Net Assets - Beginning of Year	15,499,932	1,946,965	17,446,897	19,586,533
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 16,483,109</u>	<u>\$ 1,748,043</u>	<u>\$ 18,231,152</u>	<u>\$ 17,446,897</u>

See accompanying Notes to Financial Statements.

**GIRL SCOUTS OF WESTERN WASHINGTON  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2023**

		Supporting Services				
	Program Services	Management and General	Fundraising	Total	2023 Total Expenses	2022 Total Expenses
Salaries and Wages	\$ 7,011,840	\$ 1,017,596	\$ 498,151	\$ 1,515,747	\$ 8,527,587	\$ 7,436,341
Employee Benefits	1,535,955	205,513	90,382	295,895	1,831,850	1,790,851
Payroll Taxes	602,892	87,350	41,012	128,362	731,254	856,514
Subtotal	9,150,687	1,310,459	629,545	1,940,004	11,090,691	10,083,706
Troop Product Sales Costs	3,095,854	-	-	-	3,095,854	2,353,509
Supplies	1,566,175	47,050	63,009	110,059	1,676,234	1,134,971
Occupancy	1,269,047	9,321	6,555	15,876	1,284,923	1,044,609
Professional Fees	312,140	609,895	249,033	858,928	1,171,068	1,013,318
Miscellaneous	331,803	124,565	97,213	221,778	553,581	516,392
Telecommunications	281,579	34,354	26,384	60,738	342,317	334,207
Insurance	317,634	12,923	2,666	15,589	333,223	311,751
Financial Assistance	412,638	3,402	3,127	6,529	419,167	290,079
Travel and Conferences	155,471	128,482	12,890	141,372	296,843	142,832
Equipment Purchase, Rental, and Maintenance	138,844	6,854	1,026	7,880	146,724	107,880
Printing and Advertising	156,309	-	4,112	4,112	160,421	69,626
Interest	8,128	99,610	-	99,610	107,738	57,271
Total Before Depreciation	17,196,309	2,386,915	1,095,560	3,482,475	20,678,784	17,460,151
Depreciation	489,194	56,229	16,869	73,098	562,292	729,024
Total Expenses	17,685,503	2,443,144	1,112,429	3,555,573	21,241,076	18,189,175
Plus Expenses Netted with Revenues on the Statement of Activities:						
Cost of Cookie and Other Food Product Sales	3,967,713	-	-	-	3,967,713	3,303,734
Cost of Merchandise Sales	250,185	-	-	-	250,185	75,782
Total Expenses by Function 2023	<u>\$ 21,903,401</u>	<u>\$ 2,443,144</u>	<u>\$ 1,112,429</u>	<u>\$ 3,555,573</u>	<u>\$ 25,458,974</u>	
Total Expenses by Function 2022	<u>\$ 17,943,428</u>	<u>\$ 2,593,213</u>	<u>\$ 1,032,050</u>	<u>\$ 3,625,263</u>		<u>\$ 21,568,691</u>

See accompanying Notes to Financial Statements.



**GIRL SCOUTS OF WESTERN WASHINGTON  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 784,255	\$ (2,139,636)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Forgiveness on Paycheck Protection Program Loan	-	(2,000,000)
Depreciation	562,292	729,024
(Gain) Loss on Sale of Property, Buildings, and Equipment	-	607,402
Unrealized Loss on Investments	(659,552)	1,754,034
Change in Value of Charitable Trust Agreement	(10,299)	43,147
Contributions restricted for Long-Term Purposes	-	(499,275)
Amortization of ROU Asset	135,815	-
Noncash Lease Payment	251,089	-
Changes in Assets and Liabilities:		
Accounts and Grants Receivable	(24,761)	(120,558)
Pledges Receivable	(24,133)	(46,419)
Inventory of Girl Scout Merchandise	5,788	(60,416)
Prepaid Expenses	(45,699)	(11,927)
Accounts Payable and Accrued Expenses	(142,823)	336,048
Deferred Rent Obligation	(243,360)	4,309
Unearned Revenue	25,643	19,970
Net Cash Provided (Used) by Operating Activities	614,255	(1,384,297)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property, Buildings, and Equipment	(585,549)	(596,729)
Purchases of Investments	(702,822)	(1,497,791)
Proceeds from the Sale of Asset Held for Sale	-	-
Payments Received from Note Receivable	1,947	33,289
Proceeds from the Sale of Investments	515,969	2,809,356
Net Cash Provided (Used) by Investing Activities	(770,455)	748,125
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Obligations Under Financing and Capital Leases	(140,780)	(128,609)
Proceeds from Contributions Restricted for Long-Term Purposes	-	499,275
Net Cash Provided (Used) by Financing Activities	(140,780)	370,666
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(296,980)	(265,506)
Cash and Cash Equivalents - Beginning of Year	1,364,168	1,629,674
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,067,188</u>	<u>\$ 1,364,168</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash Paid for Interest	<u>107,738</u>	<u>\$ 57,271</u>
Note Receivable in Exchange for Sale of Property, Plant, and Equipment	<u>\$ -</u>	<u>\$ 651,500</u>

See accompanying Notes to Financial Statements.

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Girl Scouts of Western Washington (the Organization) is a Washington nonprofit corporation which resulted from the merger of Girl Scouts – Totem Council and Girl Scouts – Pacific Peaks on October 1, 2007.

**Mission**

Girls Scouts of Western Washington's mission is to build girls of courage, confidence and character who make the world a better place. Girl Scouts allows girls and gender-expansive youth to discover their own style of leadership by giving them access to life-changing experiences that inspire them to do something big. Girls and gender-expansive youth gain specific knowledge, skills, attitudes, behaviors, and values that allow them to become leaders. They unleash their potential by developing a strong sense of self, transform their world by taking action the issues they care about, and build their future by taking the first steps toward making their dreams a reality – for themselves and their communities.

**Basis of Presentation**

The Organization's financial statements have been prepared on the accrual basis of accounting. The Organization classifies net assets, revenues, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations. This category of net assets also includes certain net assets designated by the board of directors. The board has the right to spend such net assets at any time.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time, or net assets subject to donor-imposed stipulations that will be maintained permanently by the Organization.

**Cash Equivalents**

Cash and cash equivalents represent checking, savings and money market accounts held at various regional financial institutions.

**Troop Bank Accounts**

Girl Scout troops establish bank accounts under the Organization's tax identification number. All troop funds are maintained for the benefit of the girls within the respective troop. These funds are not under the control of the Organization and have not been included in the accompanying financial statements. However, the Organization has established procedures and oversight protocols to ensure that funds are used appropriately. If a troop becomes inactive, any funds remaining in the account are surrendered to the Organization. The funds are then used to provide financial aid to girls in the region in which the troop existed. Management has estimated troop funds totaled approximately \$4,000,000 and \$5,000,000 at September 30, 2023 and 2022, respectively.

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

**Cookie, Food Product Sales and Merchandise**

Cookie, food product sales and merchandise sales are recognized over time, as the cookie sales occur. At September 30, 2023 and 2022, there were no outstanding accounts receivable or deferred revenues related to these products and merchandise.

**Program Service Fees**

Revenues received in exchange for participation in programs are deferred and recognized when the program occurs, or the services are provided.

**Contributions, Grants, and Promises to Give**

Contributions received, including unconditional promises to give are stated at net realizable value. In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period the pledge is received. Conditional promises to give are not recognized as revenues until the conditions on which they depend have been met. Conditional contributions are conditioned upon certain performance requirements and the incurrence of qualifying expenses. The Organization had conditional grants or contributions of \$317,268 and \$135,500 at September 30, 2023 and 2022, respectively, which will be recognized as contribution revenue in a future period when fundraising goals are met.

**Pledges and Grants Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in revenue and support. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to change in net assets and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are determined to be uncollectible are written off through a charge to the valuation allowance and a credit to pledges receivable.

**Inventory**

Inventory consists of Girl Scouts merchandise and is stated at the lower of cost (first-in, first-out) or market.

**Investments**

Investments with readily determinable market values are stated at fair value based on quoted market prices. Unrealized and realized gains and losses on these investments are reported in the statement of activities.

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Purchased land, buildings and equipment are recorded at cost, and those received by donations are capitalized at their estimated fair values on the date received. Property and equipment with an original cost of \$10,000 or greater are capitalized. Depreciation is accounted for on a straight-line method based upon estimated useful lives of the assets ranging from 10 to 40 years for buildings and 5 to 10 years for equipment. Tenant improvements are depreciated over the shorter of the useful life or the lease term.

**Special Events**

The Organization had fundraising events with gross revenues of \$390,774 and \$395,644 and expenses of \$152,882 and \$134,718 during the years ended September 30, 2023 and 2022, respectively. The revenues are included as special event revenue on the statements of activities and the expenses are included in the applicable categories on the statement of functional expenses. Included in gross revenue are \$55,611 and \$11,542 of in-kind goods for special events for the years ended September 30, 2023 and 2022, respectively.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash balances, short and long-term investments and receivables. The Organization has established guidelines relative to diversification and maturities that seek to maintain safety and liquidity. The Organization has cash and investments that are in excess of the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation insurance amounts.

**Federal Income Taxes**

The Internal Revenue Service (IRS) has recognized the Organization as exempt from federal income taxes under provisions of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation. The Organization files income tax returns with the U.S. government.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

**Allocation of Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs including staff related expenses, occupancy and depreciation have been allocated among the program and supporting services benefited. Staff related expenses are allocated by head count with the exception of retirement plan expenses. Occupancy expense is allocated based on percent of space used. Depreciation expense is allocated based on where the fixed asset is used.

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective October 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on October 1, 2022, a lease liability at the carrying amount of the capital lease obligations on September 30, 2022, of \$351,640 and a right-of-use asset at the carrying amount of the capital lease asset of \$292,182. The Company also recognized on October 1, 2022 a lease liability of \$2,137,781, which represents the present value of the remaining operating lease payments of \$2,414,481, discounted using the risk free rate of 4.02%, and a right-of-use asset of \$1,898,997.

The Organization has elected to adopt the package of practical expedients available in the year of adoption.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The standard had a material impact on the balance sheets but did not have an impact on the income statements, nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating and finance leases.

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

**NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

The Organization leases three office spaces and two copiers. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statement of financial position. Finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the balance sheet. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most operating leases do not provide an implicit rate, the Organization uses risk-free rate based on the information available at commencement date in determining the present value of lease payments. For all current finance leases the implicit rate was used to determine the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

**Comparative Financial Information**

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended September 30, 2022, from which the summarized information was derived.

**Subsequent Events**

The Organization has evaluated subsequent events through February 15, 2024, the date which the financial statements were available to be issued.

**NOTE 2 PLEDGES RECEIVABLE**

Promises to give are recorded as contributions and are reported at net realizable value. The following is a schedule of pledges receivable at September 30:

	2023	2022
Receivables Expected in Less than One Year	\$ 361,070	\$ 317,019
Receivables Expected in One to Five Years	50,000	66,500
Subtotal	411,070	383,519
Less: Allowance for Uncollectible Promises to Give	(14,253)	(10,835)
Total Pledges Receivable	<u>\$ 396,817</u>	<u>\$ 372,684</u>

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 INVESTMENTS**

Investment consisted of the following as of September 30:

	2023	2022
Money Market Funds	\$ 494,358	\$ 363,060
Corporate Bonds	1,955,216	2,299,463
Treasuries	382,481	145,920
Mutual Funds	6,346,116	5,541,243
Total	<u>\$ 9,178,171</u>	<u>\$ 8,349,686</u>

Investments are presented on the statements of financial position as of September 30 as follows:

	2023	2022
Short-Term Investments	\$ 486,927	\$ 365,574
Long-Term Investments	8,691,244	7,984,112
Total Investments	<u>\$ 9,178,171</u>	<u>\$ 8,349,686</u>

Investment return for the years ended September 30 was as follows:

	2023	2022
Dividends and Interest, Net of Fees		
(Including from Operating Bank Accounts)	\$ 181,143	\$ 156,624
Net Realized and Unrealized Gains (Losses)	649,725	(1,732,448)
Total	<u>\$ 830,868</u>	<u>\$ (1,575,824)</u>

**NOTE 4 FAIR VALUE MEASUREMENTS**

U.S. GAAP defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and requires disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, the guidance uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Valuation Techniques**

Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2023 or 2022.

*Money Market Funds* – Valued at cost plus accrued interest, which approximates fair value.

*U.S. Treasury Bills* – US treasury bills are valued using bid evaluations from similar instruments in actively quoted markets.

*Corporate Bonds* – Valued using bid valuations from similar instruments in actively traded markets.

*Mutual Funds* – Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Organization at year-end.

*Beneficial Interests in Perpetual Trusts* – Valued at the Organization's share of the present value of estimated future cash flows based on the fair value of the underlying trust.

The valuation methodologies used by the Organization may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Values Measured on a Recurring Basis**

Fair values of assets measured on a recurring basis were as follows:

2023				
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 494,358	\$ -	\$ -	\$ 494,358
Corporate Bonds	-	1,955,216	-	1,955,216
Treasuries	382,481	-	-	382,481
Mutual Funds	6,346,116	-	-	6,346,116
Total Investments	7,222,955	1,955,216	-	9,178,171
Beneficial Interest in Perpetual Trusts	-	-	158,204	158,204
Total Assets at Fair Value	<u>\$ 7,222,955</u>	<u>\$ 1,955,216</u>	<u>\$ 158,204</u>	<u>\$ 9,336,375</u>

  

2022				
	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 363,060	\$ -	\$ -	\$ 363,060
Corporate Bonds	-	2,299,463	-	2,299,463
Treasury Bonds	145,920	-	-	145,920
Mutual Funds	5,541,243	-	-	5,541,243
Total Investments	6,050,223	2,299,463	-	8,349,686
Beneficial Interest in Perpetual Trusts	-	-	140,284	140,284
Total Assets at Fair Value	<u>\$ 6,050,223</u>	<u>\$ 2,299,463</u>	<u>\$ 140,284</u>	<u>\$ 8,489,970</u>

The Level 3 investments are held in trust by third parties, do not have ongoing commitments, and have no redemption options. The Organization receives regular distributions of earnings per the trust agreement provisions (Note 6).

**NOTE 5 PROPERTY, BUILDINGS, AND EQUIPMENT**

Property, buildings, and equipment consisted of the following at September 30:

	2023	2022
Land	\$ 1,925,059	\$ 1,925,059
Depreciable Land Improvements	1,523,315	1,488,602
Buildings and Tenant Improvements	14,933,279	14,341,804
Furniture and Equipment	3,649,996	4,497,339
Construction in Process	490,480	651,171
Total	22,522,129	22,903,975
Less: Accumulated Depreciation	(15,219,525)	(15,361,323)
Total Property and Equipment, Net	<u>\$ 7,302,604</u>	<u>\$ 7,542,652</u>

**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 6 BENEFICIAL INTERESTS IN PERPETUAL TRUSTS AND CHARITABLE GIFT ANNUITY**

**Beneficial Interest in Perpetual Trust**

The Organization is named as a 20% beneficiary in a perpetual trust held for the benefit of the Organization and other local nonprofit organizations. The trust, which is held in perpetuity, is administered by a third party and provides for earnings distributions on a regular basis to the Organization. This trust is recognized in the financial statements of the Organization at the fair value of the Organization's share as of the end of the reporting period. The Organization received \$-0- in earnings distributions from the trust during the years ended September 30, 2023 and 2022. The earnings are available for general operating purposes. The Organization's interest in the change in the trust value of \$10,299 and (\$43,147) was recognized in the statements of activities as activities with donor restrictions for the years ended September 30, 2023 and 2022, respectively.

The Organization is the recipient of distributions from a permanent Charitable Trust Fund which benefits five nonprofit organizations in the Port Angeles area. Distributions are discretionary based on the yearly decisions of the trustees and thus no trust balance is included in these financial statements. The Organization received \$8,000 in distributions for the years ended September 30, 2023 and 2022.

**Charitable Gift Annuity**

The Organization holds one charitable gift annuity from a donor, for the benefit of the Organization. The annuity liability is recorded at the present value of the periodic payments due, as estimated by the Organization. In the year the gift was received, the excess of the amount of the gift over the liability for the annuity payable was recorded as contribution income without donor restriction, in accordance with the stipulations of the donor. Annuity payable totaled \$9,528 at September 30, 2023 and 2022, and is included with accrued expenses on the statements of financial position. Assets held in a segregated account for the gift annuity totaled \$7,432 and \$7,517 at September 30, 2023 and 2022, respectively, and are reported on the statements of financial position as part of the investments balance (Note 3).

**NOTE 7 CONTRIBUTED NONFINANCIAL ASSETS**

In accordance with financial accounting standards, the financial statements reflect only those contributed services requiring specific expertise that the Organization would otherwise need to purchase. Contributed services related primarily to legal fees, which are recorded at rates that would have been paid for similar services if purchased. Contributed goods consist of auction items and are recorded at the approximate fair value at the date of donation. For the year ended September 30, 2023, \$148,038 of the donated goods and services were used as part of operations and \$55,337 were used as auction items for fundraising events.

	2023	2022
Contributed Services	\$ 146,183	\$ 140,862
Contributed Goods	57,192	16,450
Total Contributed Nonfinancial Assets	<u>\$ 203,375</u>	<u>\$ 157,312</u>

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 CONTRIBUTED NON FINANCIAL ASSETS (CONTINUED)**

For the year ended September 30, 2022, \$145,770 of the donated goods and services were used as part of operations and \$11,542 were used as auction items for fundraising events.

	2023	2022
Special Events	\$ 55,337	\$ 11,542
Contributed Nonfinancial Assets	148,038	145,770
Total Contributed Nonfinancial Assets	<u>\$ 203,375</u>	<u>\$ 157,312</u>

**NOTE 8 FINANCIAL ASSISTANCE**

In order to provide all girls with the opportunity to participate in Girl Scouts activities, the Organization provides financial assistance in the form of Girl Scouts event fees waived and the payment of Girl Scouts dues and fees for third-party sponsored events. Total financial assistance for the years ended September 30 consisted of:

	2023	2022
Fees Waived	\$ 283,147	\$ 132,596
Fees Paid to Others	419,167	290,079
Total	<u>\$ 702,314</u>	<u>\$ 422,675</u>

Fees waived have been netted against program service fees revenue on the statements of activities. Fees paid to others are part of program services expenses.

**NOTE 9 FEDERAL COVID-RELIEF FUNDING**

**Paycheck Protection Program Loan**

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act). Included in the CARES Act was the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and nonprofit organizations to cover certain eligible expenses. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met.

The Organization's accounting policy for recognition of revenue from forgiveness of the PPP loans is to recognize the revenue when the loan is forgiven by the lender. During the year ended September 30, 2022, the Organization recognized revenue of \$2,000,000 for the forgiveness of the Organization's second PPP loan.

**GIRL SCOUTS OF WESTERN WASHINGTON  
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SEPTEMBER 30, 2023 AND 2022**

**NOTE 9 FEDERAL COVID-RELIEF FUNDING (CONTINUED)**

**Employee Retention Tax Credit (ERTC)**

In response to the COVID-19 pandemic, the U.S. Congress passed the CARES Act. Included in the CARES Act was the ERTC to encourage businesses and nonprofit organizations impacted by COVID-19 to keep employees on their payroll. The ERTC is a refundable tax credit computed based on wages paid by the Organization. The Organization's accounting policy for the ERTC is to record revenue when the refundable tax credits are received from the government. Total ERTC revenue recognized during the year ended September 30, 2023 and 2022, was \$1,380,116 and \$663,075, respectively.

**NOTE 10 LINE OF CREDIT**

The Organization had a \$3,500,000 revolving line of credit with a financial institution. Effective July 15, 2021, the line was renewed with an increased limit of \$4,500,000. Interest at prime less 0.75% (7.75% and 5.50% at September 30, 2023 and 2022, respectively). The line is payable monthly with no specified expiration date. There were no outstanding draws on the line of credit at September 30, 2023 and 2022. The Organization must maintain a loan-to-value ratio of 65% as a restrictive covenant on the line of credit.

**NOTE 11 ASC 842 – LEASES**

The Organization leases three office spaces and two copiers for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through July 2029. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Additionally, the agreements generally require the Organization to pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the Organization's leases:

Finance Lease Cost:	
Amortization of Right-of-Use Assets	\$ 135,815
Interest on Lease Liabilities	35,159
Operating Lease Cost	431,860
Total Lease Cost	<u><u>\$ 602,834</u></u>

**GIRL SCOUTS OF WESTERN WASHINGTON**  
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**NOTE 11 ASC 842 – LEASES (CONTINUED)**

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2023, is as follows:

<u>Year Ending September 30,</u>	<u>Operating</u>	<u>Finance</u>	<u>Totals</u>
2024	\$ 445,704	\$ 147,413	\$ 593,117
2025	330,288	127,950	458,237
2026	330,408	14,936	345,345
2027	301,219	1,245	302,464
2028	308,022	-	308,022
Thereafter	264,638	-	264,638
Undiscounted Cash Flows	1,980,279	291,544	2,271,823
Less: Imputed Interest	(198,680)	(69,671)	(268,352)
Total Present Value	<u>\$ 1,781,599</u>	<u>\$ 221,873</u>	<u>\$ 2,003,471</u>
Short-Term Lease Liabilities	\$ (382,521)	\$ (113,961)	\$ (496,481)
Long-Term Lease Liabilities	<u>(1,399,078)</u>	<u>(107,912)</u>	<u>(1,506,990)</u>
Total	<u>\$ (1,781,599)</u>	<u>\$ (221,873)</u>	<u>\$ (2,003,471)</u>

Other information related to the Organization's operating lease as of September 30, 2023 was as follows:

Other Information:

Cash Paid for Amounts Included in the  
Measurement of Lease Liabilities:

Operating Cash Flows from Finance Leases	\$ 35,159
Operating Cash Flows from Operating Leases	\$ 434,202
Financing Cash Flows from Finance Leases	\$ 140,780

Right-of-Use Assets Obtained in Exchange for New

Finance Lease Liabilities	\$ -
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Right-of-Use Assets Obtained in Exchange for New

Operating Lease Liabilities	\$ 1,898,998
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Weighted-Average Remaining Lease Term - Finance  
Leases

1.7 Years

Weighted-Average Remaining Lease Term - Operating  
Leases

5.3 Years

Weighted-Average Discount Rate - Finance Leases

11.75%

Weighted-Average Discount Rate - Operating Leases

4.02%

**GIRL SCOUTS OF WESTERN WASHINGTON  
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SEPTEMBER 30, 2023 AND 2022**

**NOTE 12 ASC 840 – LEASES**

**Operating Leases**

The Organization leases certain land under a noncancelable operating lease with remaining terms in excess of one year expiring in 2024 and an annual base rent of \$1,890, subject to market-based increases every five years. Rental expense incurred under this long-term lease was \$1,890 for the years ended September 30, 2022.

The Organization leases certain office spaces under noncancelable operating leases with remaining terms in excess of one year, the final of which expires in 2029. Monthly base rents range from \$3,303 to \$26,898 over the course of the leases. Rental expense incurred under operating leases and recognized on a straight-line basis over the life of the leases was \$463,652 for the year ended September 30, 2022.

Future minimum lease payments for operating leases are as follows:

<u>Year Ending September 30,</u>	
2024	\$ 405,919
2025	298,748
2026	287,198
2027	297,610
Thereafter	572,660
	<u>\$ 1,862,135</u>

**Capital Leases**

The Organization leases office equipment under noncancelable capital leases expiring in various years through 2025. The assets and liabilities under capital leases are initially recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are amortized over their estimated useful lives. Amortization of assets under capital leases is included in depreciation expense. The total recorded cost of assets under capital leases is \$977,695 and related accumulated amortization is \$704,089 at September 30, 2022. Scheduled lease payments are as follows:

<u>Year Ending September 30,</u>	
2024	\$ 111,924
2025	80,181
	<u>\$ 192,105</u>
Interest	(17,423)
Principal due on capital leases	\$ 174,682
Less current portion	<u>(161,002)</u>
<b>Total Obligations Under Capital Leases, Less Current Portion</b>	<u>13,680</u>

**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 13 RETIREMENT PLANS**

**Pension Plan**

The Organization participates in the National Girl Scout Council Retirement Plan (Plan), 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 grew during the year and are greater 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 the Plan the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. The Plan 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.

Contributions made by the Organization to cover its allocated portion of the underfunded amount are expensed by the Organization as paid. The total underfunded amount is recorded as a liability on the financial records of Girl Scouts of the USA. The Organization's contributions were \$523,206 and \$608,076 for the years September 30, 2023 and 2022, respectively.

**403(b) Plan**

The Organization adopted a 403(b) plan effective January 1, 2009 which allowed all eligible employees to set aside pre-tax earnings in their separate accounts. Effective October 1, 2014, the Organization amended the 403(b) plan allowing discretionary employer matching contributions for all employees 18 years and older. Matching contributions for the years ended September 30, 2023 and 2022, were \$41,243 and \$52,264, respectively.

**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 14 NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions were available as follows at September 30:

	2023	2022
Board-Designated Funds:		
Patti Meyers Program Expansion	\$ 241,861	\$ 241,861
Total Board-Designated Funds	241,861	241,861
Undesignated Funds:		
Net Investment in Property, Equipment, and		
Property Held-for-Sale	6,538,106	6,619,138
Without Donor Restrictions and Undesignated	9,703,142	8,638,933
Total Undesignated Funds	16,241,248	15,258,071
Total Net Assets Without Donor Restrictions	<u>\$ 16,483,109</u>	<u>\$ 15,499,932</u>

**NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available as follows as of September 30:

	2023	2022
Subject to the Passage of Time or Expenditure for Specified Purpose:		
Capital Projects	\$ 135,965	\$ 312,550
Specific Programs	478,069	548,334
Unappropriated Endowment Earnings	228,081	190,452
Total Subject to the Passage of Time or Expenditure for Specified Purpose:	842,115	1,051,336
Endowment Corpus:		
General Endowment Fund	44,806	44,806
Loine Floyd Fund	4,371	4,371
Paula Baker Fund	1,061	1,061
President's Memorial Fund	11,674	11,674
Thorpe Fund	40,000	40,000
Dorris M. Tinker Fund	25,000	25,000
Camp Fund	26,000	26,000
Total Endowment Corpus	152,912	152,912
Beneficial Interests in Perpetual Trusts:		
Bishop Fund	150,583	140,284
Total Beneficial Interests in Perpetual Trusts	150,583	140,284
Right to Use:		
St. Albans Camp	602,433	602,433
Total Net Assets With Donor Restrictions	<u>\$ 1,748,043</u>	<u>\$ 1,946,965</u>



**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets with donor restrictions were released from restrictions for the following purposes during the years ended September 30:

	2023	2022
Releases from Program Restrictions	\$ 1,143,636	\$ 1,268,555
Releases from Time Restrictions	-	-
Total Net Assets Released from Restriction	<u>\$ 1,143,636</u>	<u>\$ 1,268,555</u>

The earnings on the endowments may be used as follows:

*General Endowment Fund* – There are no restrictions on the use of the earnings from this fund.

*Loine Floyd Fund* – Earnings on this fund are restricted to camperships for girls in Grays Harbor County.

*Paula Baker Fund* – Earnings on this fund are to be used for financial assistance to help selected Girl Scouts attend Wider Opportunities.

*President's Memorial Fund* – Earnings on this fund are available for use annually, as determined by the Organization's president, to be used for activities included in the approved goals and objectives of the Organization.

*Thorpe Fund* – Earnings on this fund are to be used for operating and capital needs related to St. Alban's Camp facilities and properties.

*Dorris M. Tinker Fund* – Earnings on this fund are to be used to assist girls needing financial assistance to participate in programs and activities provided through the Organization.

*Camp Fund* – Earnings on this fund are to be used for camp activities.

**NOTE 16 ENDOWMENTS**

The Organization's endowments consist of donor-restricted funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 16 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law**

The board of directors of the Organization has reviewed the Washington State Prudent Management of Institutional Funds Act (PMIFA) and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, 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 determination, the Organization classifies as net assets restricted in perpetuity (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets restricted in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the board in a manner consistent with the standard of prudence prescribed by PMIFA. In accordance with PMIFA, the board considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

**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 PMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies of this nature as of September 30, 2023 and 2022.

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of certain benchmark indices as follows: 49% Russell 1000; 6% Russell 2000; 10% EAFE Index; and 35% Barclays Capital Aggregate Bond Index over a trailing three-year period.

**GIRL SCOUTS OF WESTERN WASHINGTON  
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**NOTE 15 ENDOWMENTS (CONTINUED)**

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield, such as interest and dividends. The Organization invests its endowment funds in equities and fixed income investments, targeting an allocation of 65% equities (with the target allocation within the equity portfolio of 75% large/mid-cap domestic equities, 10% small-cap domestic equities and 15% international equities) and 35% fixed income. The expected time horizon of the Fund is at least 10 years.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization has a policy of appropriating for distribution each year a maximum of 5% of its endowment fund's total fair value over the prior 16 quarter rolling average or such smaller percentage that does not reduce the rolling average of the fund to less than deemed prudent by the board of directors. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

As of September 30, endowment net assets with donor restrictions consisted of the following:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>2023 Total</u>	<u>2022 Total</u>
Donor Restricted Endowment Funds	<u>\$ 228,081</u>	<u>\$ 152,912</u>	<u>\$ 380,993</u>	<u>\$ 343,364</u>

Changes to endowment net assets for the years ended September 30, 2023 and 2022, are as follows:

	<u>Endowment Earnings</u>	<u>Endowment Corpus</u>	<u>2023 Total</u>	<u>2022 Total</u>
Endowment Net Assets, October 1, 2022	\$ 190,452	\$ 152,912	\$ 343,364	\$ 413,814
Net Endowment Investment Return	<u>37,629</u>	<u>-</u>	<u>37,629</u>	<u>(70,450)</u>
Endowment Net Assets, September 30, 2022	<u>\$ 228,081</u>	<u>\$ 152,912</u>	<u>\$ 380,993</u>	<u>\$ 343,364</u>

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 CAMPS**

**Camp St. Albans**

In accordance with the terms of the Trust Document, Camp St. Albans was transferred to a Trust in 1935 and was to be used in perpetuity by the girls of Pierce County. Various funds from the trust and a succession of Girl Scout Councils, including the Organization since 2007, have been used to develop and enhance the camp over the years. The trust is administered by three trustees, one of which is nominated by the Organization, and appointed by the remaining two Trustees. The Trust owns the land and buildings, but the Organization's predecessor was named as the organization to run the camp in perpetuity, provided it maintained and cared for the property. Since the Organization now has the right to use and the responsibility to maintain the camp, it is recognizing the value of the "right to use" the land, improvements and buildings in its financial statements (Note 13).

**Camp Towhee**

During the year ended September 30, 2014, the Organization received a contribution without donor restriction for the naming rights of Camp Towhee. The contribution was accompanied by a letter dated July 16, 2014 which is to be consulted with regard to any future change in the use of the camp property.

**NOTE 18 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available for general expenditure consisted of the following within one year of September 30:

	2023	2022
Financial Assets:		
Cash and Cash Equivalents	\$ 1,067,188	\$ 1,364,168
Short-Term Investments	486,927	365,574
Long-Term Investments	8,691,244	7,984,112
Accounts and Grants Receivable	219,489	194,728
Pledges Receivable, Current Portion	361,070	317,019
Total Financial Assets	10,825,918	10,225,601
Less: Financial Assets not Available for General Expenditure:		
Line of Credit Restricted Investments	(6,923,077)	(6,923,077)
Net Assets Designated for Patti Meyers Program Expansion	(241,861)	(241,861)
Net Assets Restricted for Purpose	(842,115)	(1,051,336)
Net Assets Restricted in Perpetuity	(152,912)	(152,912)
Financial Assets Available for General Expenditure within One Year	<u>\$ 2,665,953</u>	<u>\$ 1,856,415</u>
Additional Resources Available:		
Available to Draw on Line of Credit	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>

**GIRL SCOUTS OF WESTERN WASHINGTON  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

The Organization holds a line of credit with a bank as disclosed in Note 9. The line of credit includes a restrictive covenant requiring long-term investments be held at an amount that equates to a loan-to-value ratio of 65%, which is included as financial assets not available for general expenditure above.

The Organization regularly monitors liquidity required to meet its operating needs. The Organization has various sources of liquidity, including cash and cash equivalents, long-term investments, money market accounts and a line of credit. Management has the option to liquidate long-term investments, without board approval, if the needs of operations require additional resources.

For purposes of analyzing resources available to meet general expenditures, the Organization considers all revenue streams related to the ongoing activities of girl programming, philanthropy, retail, and volunteer training to be for general operations unless otherwise stipulated by a donor. Endowments are donor-restricted funds established for a variety of purposes and are not considered to be available for general expenditure.

**NOTE 19 CONTINGENCIES**

The Organization is involved, from time to time, in various claims, regulatory audits and other legal issues arising in the normal course of business. Management believes that any uninsured costs that may be incurred in the settlement of such claims would not be material to the Organization's financial position.



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