

**GIRL SCOUTS OF  
CALIFORNIA'S CENTRAL COAST  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023 AND 2022**

# GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST

September 30, 2023 and 2022

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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Girl Scouts of California's Central Coast  
Ventura, California

### **Opinion**

We have audited the accompanying financial statements of Girl Scouts of California's Central Coast (a non-profit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 California's Central Coast as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Girl Scouts of California's Central Coast 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 California's Central Coast's ability to continue as a going concern within one year after the date that 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 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 California's Central Coast'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of California's Central Coast'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.

*McGowan Guntermann*

Santa Barbara, California

February 21, 2024

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**

**STATEMENTS OF FINANCIAL POSITION**

September 30, 2023 and 2022

|   | <u>2023</u>                | <u>2022</u>                |
|---|----------------------------|----------------------------|
| <b>ASSETS</b>   |                            |                            |
| <b>CURRENT ASSETS</b>   |                            |                            |
| Cash and cash equivalents   | \$ 1,291,671               | \$ 1,708,313               |
| Accounts receivable (Note 2)  | 273,583                    | 10,503                     |
| Contributions receivable  | 42,702                     | 10,000                     |
| Inventory   | 153,477                    | 161,980                    |
| Prepaid expenses  | <u>129,565</u>             | <u>124,599</u>             |
| <b>Total Current Assets</b>   | <b>1,890,998</b>           | <b>2,015,395</b>           |
| <b>OTHER ASSETS</b>   |                            |                            |
| Investments (Note 3)  | 3,535,594                  | 3,975,333                  |
| Beneficial interest in assets held at Community Foundation (Note 4) | 84,580                     | 79,748                     |
| Property and equipment - net (Note 5)                               | 1,686,565                  | 1,544,110                  |
| Operating lease right-of-use assets - net (Note 10)                 | 156,994                    | -                          |
| Deposits  | <u>22,215</u>              | <u>22,215</u>              |
| <br>  |                            |                            |
| <b>TOTAL ASSETS</b>   | <b><u>\$ 7,376,946</u></b> | <b><u>\$ 7,636,801</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>                                   |                            |                            |
| <b>CURRENT LIABILITIES</b>  |                            |                            |
| Accounts payable and accrued expenses                               | \$ 267,062                 | \$ 181,086                 |
| Accrued compensation  | 261,216                    | 208,559                    |
| Deferred revenue  | 88,079                     | 138,257                    |
| Operating lease right-of-use liability - current portion (Note 10)  | 162,344                    | -                          |
| Custodial funds   | <u>-</u>                   | <u>320</u>                 |
| <b>Total Current Liabilities</b>                                    | <b><u>778,701</u></b>      | <b><u>528,222</u></b>      |
| <b>NET ASSETS</b>   |                            |                            |
| Without Donor Restrictions  | 6,437,012                  | 6,780,624                  |
| With Donor Restrictions (Note 14)                                   | <u>161,233</u>             | <u>327,955</u>             |
| <b>TOTAL NET ASSETS</b>   | <b><u>6,598,245</u></b>    | <b><u>7,108,579</u></b>    |
| <br>  |                            |                            |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                             | <b><u>\$ 7,376,946</u></b> | <b><u>\$ 7,636,801</u></b> |

The accompanying notes are an integral part of these financial statements.

## GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended September 30, 2023 and 2022

|   | 2023                          |                            |                     | 2022                          |                            |                     |
|---|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| <b>REVENUE, GAINS AND OTHER SUPPORT</b>   |                               |                            |                     |                               |                            |                     |
| Cookie sales, net (Note 11)   | \$ 3,878,446                  | \$ -                       | \$ 3,878,446        | \$ 3,022,199                  | \$ -                       | \$ 3,022,199        |
| Contributions and grants  | 603,660                       | 49,269                     | 652,929             | 488,743                       | -                          | 488,743             |
| Federal grants  | 229,345                       | -                          | 229,345             | 477,570                       | -                          | 477,570             |
| Girl Scout program revenue  | 179,013                       | -                          | 179,013             | 257,599                       | -                          | 257,599             |
| Nut sales, net (Note 11)  | 233,783                       | -                          | 233,783             | 237,926                       | -                          | 237,926             |
| Rental income   | 99,744                        | -                          | 99,744              | 66,539                        | -                          | 66,539              |
| Special events, net of \$162,717 and \$76,263 in expenses for 2023 and 2022, respectively | (118,020)                     | -                          | (118,020)           | (28,159)                      | -                          | (28,159)            |
| Investment income, net (Note 3)   | 356,175                       | -                          | 356,175             | (793,623)                     | -                          | (793,623)           |
| In-kind contributions (Note 2)  | 19,465                        | -                          | 19,465              | 2,000                         | -                          | 2,000               |
| Merchandise sales, net (Note 11)  | 131,277                       | -                          | 131,277             | 116,401                       | -                          | 116,401             |
| Change in value of beneficial interest in assets held at Community Foundation (Note 4)    | -                             | 4,832                      | 4,832               | -                             | (21,364)                   | (21,364)            |
| Gain (loss) on sale of assets   | (604)                         | -                          | (604)               | 2,503,853                     | -                          | 2,503,853           |
| Net assets released from restrictions   | 220,823                       | (220,823)                  | -                   | 11,580                        | (11,580)                   | -                   |
| Total Revenue, Gains and Other Support  | <u>5,833,107</u>              | <u>(166,722)</u>           | <u>5,666,385</u>    | <u>6,362,628</u>              | <u>(32,944)</u>            | <u>6,329,684</u>    |
| <b>EXPENSES</b>   |                               |                            |                     |                               |                            |                     |
| Program services  | 4,711,516                     | -                          | 4,711,516           | 4,583,579                     | -                          | 4,583,579           |
| Support services  |                               |                            |                     |                               |                            |                     |
| Management and general  | 797,714                       | -                          | 797,714             | 678,065                       | -                          | 678,065             |
| Fundraising   | 667,489                       | -                          | 667,489             | 517,669                       | -                          | 517,669             |
| Total Support Services  | <u>1,465,203</u>              | <u>-</u>                   | <u>1,465,203</u>    | <u>1,195,734</u>              | <u>-</u>                   | <u>1,195,734</u>    |
| Total Expenses  | <u>6,176,719</u>              | <u>-</u>                   | <u>6,176,719</u>    | <u>5,779,313</u>              | <u>-</u>                   | <u>5,779,313</u>    |
| CHANGES IN NET ASSETS   | (343,612)                     | (166,722)                  | (510,334)           | 583,315                       | (32,944)                   | 550,371             |
| NET ASSETS, BEGINNING OF YEAR   | <u>6,780,624</u>              | <u>327,955</u>             | <u>7,108,579</u>    | <u>6,197,309</u>              | <u>360,899</u>             | <u>6,558,208</u>    |
| NET ASSETS, END OF YEAR   | <u>\$ 6,437,012</u>           | <u>\$ 161,233</u>          | <u>\$ 6,598,245</u> | <u>\$ 6,780,624</u>           | <u>\$ 327,955</u>          | <u>\$ 7,108,579</u> |

The accompanying notes are an integral part of these financial statements.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**

**SCHEDULES OF FUNCTIONAL EXPENSES**  
For the Years Ended September 30, 2023 and 2022

|  | 2023                |                           |                   |                     | 2022                |                           |                   |                     |
|--|---------------------|---------------------------|-------------------|---------------------|---------------------|---------------------------|-------------------|---------------------|
|  | Program<br>Services | Support Services          |                   | Total               | Program<br>Services | Support Services          |                   | Total               |
|  |                     | Management<br>and General | Fundraising       |                     |                     | Management<br>and General | Fundraising       |                     |
| <b>EXPENSES</b>  |                     |                           |                   |                     |                     |                           |                   |                     |
| Salaries and wages   | \$ 2,181,728        | \$ 328,610                | \$ 424,689        | \$ 2,935,027        | \$ 2,043,977        | \$ 433,253                | \$ 268,701        | \$ 2,745,931        |
| Payroll taxes  | 644,868             | 97,129                    | 125,528           | 867,525             | 682,912             | 73,431                    | 59,561            | 815,904             |
| Employee benefits  | 173,990             | 26,206                    | 33,868            | 234,064             | 201,322             | 21,648                    | 17,558            | 240,528             |
| Recruiting   | -                   | 15,848                    | -                 | 15,848              | -                   | 12,440                    | -                 | 12,440              |
| <b>Total Salaries and Related Expenses</b>                             | <b>3,000,586</b>    | <b>467,793</b>            | <b>584,085</b>    | <b>4,052,464</b>    | <b>2,928,211</b>    | <b>540,772</b>            | <b>345,820</b>    | <b>3,814,803</b>    |
| Girl Scout program expenses  | 260,786             | -                         | -                 | 260,786             | 384,597             | -                         | -                 | 384,597             |
| Staff development  | 58,915              | 7,700                     | 3,385             | 70,000              | 31,457              | 124                       | 586               | 32,167              |
| Fundraising  | -                   | -                         | 162,717           | 162,717             | -                   | -                         | 112,026           | 112,026             |
| Printing, publications and supplies                                    | 34,788              | 10,615                    | 13,632            | 59,035              | 43,598              | 6,096                     | 4,735             | 54,429              |
| Postage and mailings   | 11,407              | 796                       | 430               | 12,633              | 7,724               | 793                       | 925               | 9,442               |
| Travel and transportation  | 94,749              | 5,036                     | 6,424             | 106,209             | 83,976              | 8,623                     | 10,061            | 102,660             |
| Advertising  | 201,008             | 1,687                     | 314               | 203,009             | 7,303               | 750                       | 875               | 8,928               |
| Facility and occupancy   | 309,919             | 98,085                    | 2,372             | 410,376             | 419,670             | 43,096                    | 50,278            | 513,044             |
| Lease expense - ROU  | 170,966             | 54,107                    | 1,309             | 226,382             | -                   | -                         | -                 | -                   |
| Information technology and communications                              | 237,127             | 35,002                    | 46,106            | 318,235             | 258,337             | 26,529                    | 30,950            | 315,816             |
| Equipment maintenance and repairs                                      | 53,425              | 13,344                    | 7,347             | 74,116              | 64,040              | 6,576                     | 7,672             | 78,288              |
| Insurance  | 71,039              | 34,492                    | -                 | 105,531             | 89,352              | 12,494                    | 9,705             | 111,551             |
| Audit, legal and professional fees                                     | 4,726               | 23,061                    | -                 | 27,787              | 83,590              | 21,000                    | 9,966             | 114,556             |
| Bank fees and interest   | 68,076              | 15,248                    | 2,085             | 85,409              | 40,555              | 4,165                     | 4,859             | 49,579              |
| Depreciation   | 130,267             | 30,748                    | -                 | 161,015             | 140,830             | 7,047                     | 5,474             | 153,351             |
| Bad debt   | 3,732               | -                         | -                 | 3,732               | 339                 | -                         | -                 | 339                 |
| <b>Total Expenses by Function</b>                                      | <b>4,711,516</b>    | <b>797,714</b>            | <b>830,206</b>    | <b>6,339,436</b>    | <b>4,583,579</b>    | <b>678,065</b>            | <b>593,932</b>    | <b>5,855,576</b>    |
| Less expenses included with revenues on<br>the statement of activities |                     |                           |                   |                     |                     |                           |                   |                     |
| Special event direct expenses  | -                   | -                         | (162,717)         | (162,717)           | -                   | -                         | (76,263)          | (76,263)            |
| <b>Total Expenses</b>  | <b>\$ 4,711,516</b> | <b>\$ 797,714</b>         | <b>\$ 667,489</b> | <b>\$ 6,176,719</b> | <b>\$ 4,583,579</b> | <b>\$ 678,065</b>         | <b>\$ 517,669</b> | <b>\$ 5,779,313</b> |

The accompanying notes are an integral part of these schedules.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**

STATEMENTS OF CASH FLOWS  
For the Years Ended September 30, 2023 and 2022

|  | <u>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES   |                     |                     |
| Change in net assets   | \$ (510,334)        | \$ 550,371          |
| Adjustments to reconcile change in net assets<br>to net cash used by operating activities: |                     |                     |
| Change in value of beneficial interest in assets held<br>at Community Foundation           | (4,832)             | 21,364              |
| Forgiveness of Paycheck Protection Program loan  | -                   | (477,570)           |
| Depreciation and amortization  | 161,015             | 153,351             |
| Amortization on right-of-use assets  | 226,382             | -                   |
| Loss (gain) on investments   | (293,802)           | 855,630             |
| Loss (gain) on disposition of assets   | 604                 | (2,503,853)         |
| Changes in:  |                     |                     |
| Accounts receivable  | (263,080)           | (8,249)             |
| Contributions receivable   | (32,702)            | 13,173              |
| Inventory  | 8,503               | (29,874)            |
| Prepaid expenses   | (4,966)             | (55,516)            |
| Deposits   | -                   | -                   |
| Accounts payable and accrued expenses  | 85,976              | (41,108)            |
| Accrued compensation   | 52,657              | (56,730)            |
| Deferred revenue   | (50,178)            | 94,922              |
| Custodial funds  | (320)               | (770)               |
| Operating lease right-of-use liabilities   | <u>(221,032)</u>    | <u>-</u>            |
| NET CASH USED BY OPERATING ACTIVITIES  | <u>(846,109)</u>    | <u>(1,484,859)</u>  |
| CASH FLOWS FROM INVESTING ACTIVITIES   |                     |                     |
| Purchases of property and equipment  | (304,074)           | (283,820)           |
| Proceeds from disposal of property and equipment   | -                   | 3,190,000           |
| Net purchases of investments   | (355,332)           | (4,751,838)         |
| Proceeds from sale of investments  | <u>1,088,873</u>    | <u>1,648,806</u>    |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES   | <u>429,467</u>      | <u>(196,852)</u>    |
| NET CHANGE IN CASH AND CASH EQUIVALENTS  | (416,642)           | (1,681,711)         |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR  | <u>1,708,313</u>    | <u>3,390,024</u>    |
| CASH AND CASH EQUIVALENTS - END OF YEAR  | <u>\$ 1,291,671</u> | <u>\$ 1,708,313</u> |
| SUPPLEMENTAL CASH FLOW DISCLOSURE  |                     |                     |
| ROU assets obtained in exchange for operating lease obligations                            | \$ 383,376          | \$ -                |

The accompanying notes are an integral part of these financial statements.



# GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST

## NOTES TO FINANCIAL STATEMENTS

### **Note 1 - ORGANIZATION**

Effective October 1, 2007, Girl Scouts of Monterey Bay and Tres Condados Girl Scouts Council, Inc. merged and formed a combined entity, Girl Scouts of California's Central Coast (the Council). The pooling of interests method was used to account for the merger. Girl Scouts of Monterey Bay was the surviving entity and filed for a name change with the State of California. The Council operates in the Monterey, Santa Cruz, San Benito, Santa Barbara, San Luis Obispo and Ventura counties of California. The purpose of Girl Scouting is to build girls of courage, confidence, and character, who make the world a better place. The Council is supported by donations from the general public, funds raised by various events and activities, including the annual Girl Scout cookie program.

### **Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting and presentation** – The financial statements have been prepared on the accrual basis of accounting, under which revenues are recognized when they are earned and expenses are recognized when the related liabilities are incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

**Use of estimates** – Preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses and to disclose any material contingent amounts. Accordingly, actual results could differ from such estimates.

Significant estimates used in the preparation of these financial statements include allocation of certain expenses by function, fair market value of certain investments, and depreciable lives of property and equipment.

**Cash and cash equivalents** – Cash and cash equivalents include demand deposit accounts, money market accounts and cash on hand. Cash and cash equivalents does not include bank accounts held by Girl Scout troops and other groups such as service units, committees and volunteer-led camps under the federal identification number of the Council.

Cash held in troops and groups operate under the Council's federal identification number but not under the control of the Council. The Council will not access the funds as long as a troop or group is functioning according to Girl Scout policy and procedure. Individual troops and groups have the responsibility to use funds in their control for the purposes of Girl Scouting as determined by the members and adult volunteers. Annually, troops and groups are required to report to the Council the balance in their accounts and the sources and uses of funds since the last reporting date.

**Accounts receivable** – Accounts receivable are expected to be collected within one year. Receivables at September 30, 2023, include Employee Retention Credit (ERC) to be applied to amended quarterly payroll filings in 2022. Total credits as of September 30, 2023, were \$186,643 and included in Federal grants revenue. Additional receivables include an insurance claim receivable of \$79,895. Allowance for uncollectible accounts is based on management's judgment and prior collection experience. The allowance for uncollectible accounts was \$10,000 and \$10,000 as of September 30, 2023 and 2022, respectively.

Employee Retention Credit receivable consists of amounts receivable from the government grant ERC Program and are considered fully collectible. Laws and regulations concerning government programs, including the Employee Retention Credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are complex and subject to varying interpretations.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Accounts receivable (continued)** – Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Council's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Council.

**Contributions receivable** – Contributions receivable consists primarily of pledges to give and grants receivable. No allowance has been recorded since the Council expects all amounts to be fully collectible. All contributions are expected to be collected within one year.

**Inventory** – Merchandise held for sale consists of retail goods, primarily Girl Scout program components, which are carried at the lower of cost or market. Cost is determined on the first-in, first-out method. No new retail sites were opened in the years ending September 30, 2022 and 2023.

**Investments** – Investments are measured at fair value in the statements of financial position. The fair values are based on quoted market prices. Gains and losses on disposition of investments are accounted for on a specific identification basis. Net realized and unrealized gains and losses are included in the statements of activities and changes in net assets.

**Property and equipment** – Property and equipment are recorded at cost if purchased and at estimated fair market value if donated. All property and equipment greater than \$5,000 are capitalized. Major improvements are capitalized; maintenance and repairs which do not extend the useful life of the respective assets are expensed. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets ranging from 3 to 39 years.

**Custodial funds** – Custodial funds represent deposits received by the Council from various Girl Scout troops for membership registration fees that are forwarded to Girl Scouts of the U.S.A. (GSUSA).

**Fair value measurements** – Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Council considers the principal or most advantageous market in which it would transact, and considers assumptions that market participants would use when pricing the asset or liability.

The three-level hierarchy for fair value measurements is defined as follows.

**Level 1** – Valuation is based on observable inputs using quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

**Level 2** – Valuation is based on inputs from sources other than quoted prices in active markets that are either directly or indirectly observable as of the reporting date. This may include quoted prices for similar assets in an active market, quoted prices for similar assets in a market that is not active or valuation methods using models, interest rates and yield curves as observable inputs.

**Level 3** – Valuation is based on unobservable inputs for the assets, reflecting the Council's consideration about the assumptions that a market participant would use in pricing the asset or liability, to the extent that observable inputs (Levels 1 and 2) are not available. Level 3 assets and liabilities include situations where there is little or no market activity for the asset or liabilities, and significant management judgment or estimates are required.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fair value measurements (continued)** - Investments are classified as Level 1 because they are valued using quoted prices in active markets. Beneficial interest in assets held at Community Foundation are classified as Level 2 because the Council records the values based on the statements received from the Community Foundation, and the assets invested by the Community Foundation are held in active markets.

While the Council believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such assets and liabilities existed, or had such assets and liabilities been liquidated, and these differences could be material to the financial statements.

**Financial instruments** – Financial instruments included in the Council's statements of financial position include cash and cash equivalents, accounts receivable, contributions receivable, investments, beneficial interest in assets held at Community Foundation, accounts payable and accrued expenses, accrued compensation, and custodial funds. The carrying amounts represent a reasonable estimate of the corresponding fair values. Investments and beneficial interest in assets held at Community Foundation are reflected in the accompanying statements of financial position at their estimated fair values using methodologies described below.

**Leases** – In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update (ASU) 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition on the income statement.

The new standard is effective for the Council as of October 1, 2022, and has been adopted for the year ended September 30, 2023. As of October 1, 2022, and for the year ended September 30, 2023, the Council had multiple noncancellable operating leases.

Further, the Council elected a short-term lease extension policy, permitting the Council to not apply the recognition requirements of this standard to short-term leases (i.e., leases with terms of 12 months or less) and an accounting policy to account for lease and non-lease components as a single component for certain classes of net assets.

**Donated services** – The Council records various types of donated services. Donated services are recognized at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated supplies are recorded if they would typically need to be purchased if not provided by donation. In-kind donations that meet the above criteria are recorded as contributions at the approximate fair market value at the time of donation. The value of these donated services and supplies that are included in the financial statements as in-kind contributions and expenses for the years ended September 30, 2023 and 2022, was \$19,465 and \$2,000, respectively.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 2 - 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 statements of activities and changes in net assets and in the schedules of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited.

**Revenue recognition**

**Program fees** – Program fees consist of camp and event fees and other related programs for girls that are held throughout the year to develop a sense of accomplishment and increase self-confidence and leadership skills. Revenue from program fees is recorded when earned.

**Product sales** – Girl Scout product sale activities help girls learn invaluable skills such as goal-setting, decision-making, money management and delivering on a promise. Each troop or group that sells products earns money for its treasury and plans how to spend that money to achieve its goals. The Council's share of proceeds from the product sale activities helps to provide the financial assistance needed to make Girl Scouting available for all girls, to fund camp and program activities, to keep event/camp fees for all members to a minimum, to improve and maintain camp and other activity sites, to recruit and train volunteer leaders, and to pay Council operating expenses. Revenue is recognized once delivery of products has occurred, the price is fixed or determinable, and collectability is reasonably assured.

**Merchandise sales** – Merchandise sales consisted primarily of sales of Girl Scouts-related equipment and supplies. Sales occurred primarily at the Council's retail stores and via an on-line store. Proceeds from merchandise sales helped to cover the cost of maintaining the Council retail stores as a service to members. Revenue was recognized at the time of the sale. Merchandise sales processed through the on-line store are recorded at net proceeds as received from GSUSA, less all GSUSA's costs associated with the sales.

**Rental income** – Rental income consists primarily of rental fees earned from renting out camp facilities to troops and nonprofit organizations when not in use. Revenue is recognized as the rental period occurs.

**Shipping and handling costs** – Freight billed to customers is considered sales revenue and the related freight costs are included as a cost of sales.

**Advertising costs** – Advertising costs are expensed as incurred.

**Reclassifications** – Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**Note 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments are presented in the financial statements at fair market value, which is derived from quoted market prices at year end. At September 30, 2023, investments consist of the following:

|                           | <u>Cost</u>         | <u>Market Value</u> | <u>Unrealized<br/>Gain (Loss)</u> |
|---------------------------|---------------------|---------------------|-----------------------------------|
| Cash held for investment  | \$ 524,092          | \$ 524,092          | \$ -                              |
| Equities and fixed income | <u>3,008,460</u>    | <u>3,011,502</u>    | <u>3,042</u>                      |
| Total                     | <u>\$ 3,532,552</u> | <u>\$ 3,535,594</u> | <u>\$ 3,042</u>                   |

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
NOTES TO FINANCIAL STATEMENTS

**Note 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)**

The following summarizes the net change in unrealized gain on investments:

|                                  | <u>Cost</u>  | <u>Market Value</u> | <u>Unrealized<br/>Gain (Loss)</u> |
|----------------------------------|--------------|---------------------|-----------------------------------|
| Balance at end of the year       | \$ 3,532,552 | \$ 3,535,594        | \$ 3,042                          |
| Balance at beginning of the year | 4,186,796    | 3,975,333           | <u>(211,463)</u>                  |
| Net change in unrealized gain    |              |                     | <u>\$ 214,505</u>                 |

At September 30, 2022, investments consist of the following:

|                          | <u>Cost</u>         | <u>Market Value</u> | <u>Unrealized<br/>Gain (Loss)</u> |
|--------------------------|---------------------|---------------------|-----------------------------------|
| Cash held for investment | \$ 1,215,973        | \$ 1,215,973        | \$ -                              |
| Equities                 | <u>2,970,823</u>    | <u>2,759,360</u>    | <u>(211,463)</u>                  |
| Total                    | <u>\$ 4,186,796</u> | <u>\$ 3,975,333</u> | <u>\$ (211,463)</u>               |

The following summarizes the net change in unrealized gain on investments:

|                                  | <u>Cost</u>  | <u>Market Value</u> | <u>Unrealized<br/>Gain (Loss)</u> |
|----------------------------------|--------------|---------------------|-----------------------------------|
| Balance at end of the year       | \$ 4,186,796 | \$ 3,975,333        | \$ (211,463)                      |
| Balance at beginning of the year | 923,767      | 1,814,113           | <u>890,346</u>                    |
| Net change in unrealized gain    |              |                     | <u>\$ (1,101,809)</u>             |

Investment income consisted of the following at September 30,

|  | <u>2023</u>       | <u>2022</u>         |
|--|-------------------|---------------------|
| Unrealized gains (losses)              | \$ 209,673        | \$ (1,080,445)      |
| Change in value of beneficial interest | 4,832             | (21,364)            |
| Interest and dividends                 | 90,330            | 68,953              |
| Net realized gains                     | 79,297            | 246,179             |
| Net investment fees                    | <u>(23,125)</u>   | <u>(28,310)</u>     |
|  | <u>\$ 361,007</u> | <u>\$ (814,987)</u> |

The following tables present assets and liabilities recognized in the accompanying Statement of Financial Position measured at fair value on a recurring basis and the level in which the fair value measurements fall at year end.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)**

At September 30, 2023, assets and liabilities are recognized as follows:

| <u>Description</u>                     | <u>Level 1</u>      | <u>Level 2</u>   | <u>Level 3</u> | <u>Total</u>        |
|--|---------------------|------------------|----------------|---------------------|
| Cash held for investment               | \$ 524,092          | \$ -             | \$ -           | \$ 524,092          |
| Equities                               | 2,528,143           | -                | -              | 2,528,143           |
| Fixed Income                           | <u>483,359</u>      | <u>-</u>         | <u>-</u>       | <u>483,359</u>      |
| Total                                  | 3,011,502           | -                | -              | 3,011,502           |
| Other                                  | <u>-</u>            | <u>84,580</u>    | <u>-</u>       | <u>84,580</u>       |
| Total assets measured<br>at fair value | <u>\$ 3,535,594</u> | <u>\$ 84,580</u> | <u>\$ -</u>    | <u>\$ 3,620,174</u> |

At September 30, 2022, assets and liabilities are recognized as follows:

| <u>Description</u>                     | <u>Level 1</u>      | <u>Level 2</u>   | <u>Level 3</u> | <u>Total</u>        |
|--|---------------------|------------------|----------------|---------------------|
| Cash held for investment               | \$ 1,215,973        | \$ -             | \$ -           | \$ 1,215,973        |
| Equities                               | 2,270,827           | -                | -              | 2,270,827           |
| Fixed Income                           | <u>488,533</u>      | <u>-</u>         | <u>-</u>       | <u>488,533</u>      |
| Total                                  | 2,759,360           | -                | -              | 2,759,360           |
| Other                                  | <u>-</u>            | <u>79,748</u>    | <u>-</u>       | <u>79,748</u>       |
| Total assets measured<br>at fair value | <u>\$ 3,975,333</u> | <u>\$ 79,748</u> | <u>\$ -</u>    | <u>\$ 4,055,081</u> |

**Note 4 - BENEFICIAL INTEREST IN ASSETS HELD AT COMMUNITY FOUNDATION AND FAIR VALUE DISCLOSURES**

The Council has established an agency endowment fund with the Community Foundation in Monterey County, for the benefit of the Council. The Council granted variance power to the Community Foundation, thus the Community Foundation has full authority and discretion as to the investment and reinvestment of the assets.

The following tables present the fair value of a beneficial interest in assets held at Community Foundation in Monterey County on the accompanying statements of financial position, as of September 30, by fair value hierarchy.

|  | <u>2023</u><br><u>(Level 2)</u> | <u>2022</u><br><u>(Level 2)</u> |
|--|---------------------------------|---------------------------------|
| Beneficial interest in assets held at<br>the Community Foundation in Monterey County | \$ 84,580                       | \$ 79,748                       |

# GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST

## NOTES TO FINANCIAL STATEMENTS

### Note 4 - BENEFICIAL INTEREST IN ASSETS HELD AT COMMUNITY FOUNDATION AND FAIR VALUE DISCLOSURES (continued)

In addition, the Council is designated as the beneficiary agency of the Frank F. and Zoe Ann Orr fund that was established at the Community Foundation of Santa Cruz County. During the year ended September 30, 2022, the Council received \$12,941 in payouts from this fund. A payout of \$12,705 was received during the year ended September 30, 2023. The Council does not have variance power thus this fund balance is not included in the accompanying financial statements.

The Council is also designated as the beneficiary agency of a fund that was established at the Community Foundation of San Benito County. During the year ended September 30, 2023, the Council received \$4,371 as a beneficiary payout and no funds received in 2022, the Council received no beneficiary payouts from this fund. Because the Council does not have variance power this fund balance is not included in the financial statements.

### Note 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30:

|                            | <u>2023</u>         | <u>2022</u>         |
|----------------------------|---------------------|---------------------|
| Land and improvements      | \$ 830,190          | \$ 703,479          |
| Buildings and improvements | 2,730,815           | 2,589,212           |
| Furniture and equipment    | 528,792             | 524,370             |
| Vehicles                   | 120,363             | 120,363             |
| Leasehold improvements     | <u>58,359</u>       | <u>58,359</u>       |
|                            | 4,268,519           | 3,995,783           |
| Accumulated depreciation   | <u>(2,581,954)</u>  | <u>(2,451,673)</u>  |
|                            | <u>\$ 1,686,565</u> | <u>\$ 1,544,110</u> |

### Note 6 - INCOME TAXES

The Council is exempt from federal and state taxes on income under Internal Revenue Code section 501(c)(3) and similar provisions of the California Revenue and Taxation Act.

The Council has adopted the provisions related to accounting for uncertainty in income taxes, which defines a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Council's management has considered its tax positions and believes that all of the positions taken by the Council in its federal and state tax returns are more likely than not to be sustained upon examination. The Council files tax returns in the U.S. federal and California jurisdictions. With few exceptions, the Council is no longer subject to federal and state tax examinations by tax authorities for years ended before September 30, 2019 and 2018, respectively.

### Note 7 – ENDOWMENT FUNDS

The Council has an agency endowment fund at the Community Foundation of Monterey County. The fund is owned and administered by the Community Foundation and is 100% restricted by the Foundation. Under the terms of the agency endowment agreement, the Council receives either the net income or an annual payout from the agency endowment as determined by the Community Foundation.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 7 – ENDOWMENT FUNDS (continued)**

During the years ended September 30, 2023 and 2022, endowment net asset activity consisted of the following:

|   |                      |
|---|----------------------|
| <b>Endowment net assets, September 30, 2021</b>     | \$ 101,112           |
| Change in value of assets held                      | (17,536)             |
| Distribution of assets                              | <u>(3,828)</u>       |
| <b>Endowment net assets, September 30, 2022</b>     | 79,748               |
| Change in value of assets held                      | 8,493                |
| Distribution of assets                              | <u>(3,661)</u>       |
| <br><b>Endowment net assets, September 30, 2023</b> | <br><u>\$ 84,580</u> |

As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Council has interpreted the California adopted Universal Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classified as permanently restricted net assets (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 donor-restricted endowments currently have no earnings other than value changes, so there are no unappropriated amounts included in net assets with donor restrictions.

The Council has not yet adopted investment and spending policies for endowment assets.

**Note 8 – LINE OF CREDIT**

The Council has an unsecured operating line of credit of \$500,000. The line of credit expires July 5, 2024. The Council had no balance outstanding as of September 30, 2023 and 2022.

**Note 9 - RETIREMENT PLAN**

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

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



**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 9 - RETIREMENT PLAN (continued)**

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.

The Council made contributions into the Plan of \$195,021 and \$191,158 during the years ended September 30, 2023 and 2022, respectively. These contributions represented approximately 0.60% of total contributions into the Plan.

**Note 10 - LEASES**

At the inception or modification of a contract, the Council assesses whether the contract is, or contains, a lease. The assessment is based on (1) whether the contract involves the use of a distinct identified asset, (2) whether the Council obtains the right to substantially all the economic benefit from the use of the assets throughout the period, and (3) whether the Council has the right to direct the use of the asset.

The new accounting standard, described in Note 2, establishes a right-of-use (ROU) model requiring a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term of longer than 12 months. ROU assets represent the Council's right to use an underlying asset during the reasonably certain lease term, and lease liabilities represent its obligation to make lease payments arising from the lease. Leases are now classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities and changes in net assets. Lease terms may include options to extend or terminate the lease when it is reasonably certain the option will be exercised.

ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of all minimum lease payments over the term of the lease. The initial measurement of ROU assets also includes any prepaid lease payments and are reduced by any previously accrued deferred rent. Lease terms include options to extend or terminate the lease when it is reasonably certain that such option will be exercised. For operating leases, lease expense is recognized on a straight line basis over the term of the lease. Management will periodically review the carrying value of ROU assets to determine whether impairment may exist.

The Council leases office space in Ventura, California under a non-cancelable operating lease which is payable in monthly installments of \$12,705, terminating June 2024. The implementation of the new standard resulted in recording a non-cash transitional adjustment to operating lease ROU assets and operating lease liabilities of \$261,847 and \$261,847, respectively, as of October 1, 2022. The Council has elected to use their incremental borrowing rate of 2.685% as of October 1, 2022, to discount the lease payments.

The Council leases office space in San Luis Obispo, California under a non-cancelable operating lease which is payable in monthly installments of \$6,420, terminating April 30, 2024. The implementation of the new standard resulted in recording a non-cash transitional adjustment to operating lease ROU assets and operating lease liabilities of \$121,529 and \$121,529, respectively, as of October 1, 2022. The Council has elected to use their incremental borrowing rate of 2.685% as of October 1, 2022, to discount the lease payments.

# GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST

## NOTES TO FINANCIAL STATEMENTS

### Note 10 – LEASES (continued)

The Organization recognized \$226,382 of amortization on the operating lease right-of-use assets, as well as \$7,575 of interest on operating lease liabilities for the year ended September 30, 2023. Additionally, \$221,032 of operating cash outflows was related to principal payments on operating lease liabilities. The weighted average remaining lease term of operating leases as of September 30, 2023, is less than one year, and the discount rate used was 2.685%.

Future obligations to pay under the operating lease agreements for the years ending September 30 are as follows:

|  |       |  |
|--|-------|--|
|  | 2024  | <u>\$ 164,062</u><br>164,062<br><u>(1,718)</u> |
|  | Total | <u>\$ 162,344</u>                              |

The Council entered a one-year non-cancelable operating lease in Thousand Oaks, CA, beginning April 1, 2023. Monthly lease payments are \$1,850. The lease expires March 31, 2024.

The Council entered a one-year non-cancelable operating lease in Santa Barbara, CA, beginning April 26, 2023. Monthly lease payments are \$1,900. The lease expires March 31, 2024.

The Council entered a one-year non-cancelable operating lease in Oxnard, CA, beginning July 1, 2023. Monthly lease payments are \$1,850. The lease expires June 30, 2024.

### Note 11 – PROGRAM RELATED SALES

The gross revenue and expenses of the program related product and merchandise sales for the years ended September 30, 2023 and 2022, are as follows:

|  | <u>2023</u>         |                   |                   | <u>2022</u>         |                   |                   |
|--|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
|  | Cookie sales        | Nut sales         | Merchandise sales | Cookie sales        | Nut sales         | Merchandise sales |
| Gross Revenue                          | \$ 7,175,646        | \$678,966         | \$ 311,066        | \$ 6,029,110        | \$650,308         | \$ 263,131        |
| Troop Proceeds                         | (1,666,451)         | (140,569)         | -                 | (1,521,199)         | (133,516)         | -                 |
| Direct Costs                           | <u>(1,630,749)</u>  | <u>(304,614)</u>  | <u>(179,789)</u>  | <u>(1,485,712)</u>  | <u>(278,866)</u>  | <u>(146,730)</u>  |
| Cookie, nut and merchandise sales, net | <u>\$ 3,878,446</u> | <u>\$ 233,783</u> | <u>\$ 131,277</u> | <u>\$ 3,022,199</u> | <u>\$ 237,926</u> | <u>\$ 116,401</u> |

### Note 12 - RELATED PARTY TRANSACTIONS

The Council is a member of GSUSA. The council purchases GSUSA branded merchandise offered for sale, branded merchandise offered as incentives for product program sales, software and technical services for the year ended September 30, 2023 and 2022. Payments totaled approximately \$177,611 and \$210,820 for the years ended September 30, 2023 and 2022, respectively. The Council collects membership fees on behalf of GSUSA from the Girl Scout troops. Total remittance to GSUSA of \$90,520 and \$51,235 were made for the years ended September 30, 2023 and 2022, respectively. No amounts were due to GSUSA for membership fees, at September 30, 2023 and 2022.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 13 – CONCENTRATIONS AND RISKS**

Concentrations

The Council generates revenue predominantly through Girl Scout Cookie sales. For the years ended September 30, 2023 and 2022, respectively, net cookie sales comprised 68% and 47% of the Council's revenue. In the event that cookie sales significantly decrease, operations could be affected.

Credit Risk

The Council maintains cash balances at banks insured by the Federal Deposit Insurance Corporation (FDIC). The Federal Deposit Insurance Corporation (FDIC) only insures the first \$250,000 of funds on deposit at any one institution. The Council had uninsured cash of \$523,539 at September 30, 2023.

**Note 14 - NET ASSETS**

Net assets with donor restrictions consist of contributions that specify a particular use or the occurrence of a certain future event. Such contributions are recorded as net assets with donor restrictions until the purpose of the restrictions are met. When the purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Net assets with donor restrictions consisted of the following as of September 30:

|                          | <u>2023</u>       | <u>2022</u>       |
|--------------------------|-------------------|-------------------|
| Capital improvements     | \$ 33,951         | \$ 33,951         |
| Contributions receivable | 42,702            | -                 |
| Camp Arnaz fund          | -                 | 214,256           |
| Endowment                | <u>84,580</u>     | <u>79,748</u>     |
|                          | <u>\$ 161,233</u> | <u>\$ 327,955</u> |

**Note 15 - LIQUIDITY**

Financial assets available to meet cash needs for general expenditure for the following year are comprised of current assets and investments, adjusted for amounts unavailable due to illiquidity, endowments and other funds spending policy appropriations beyond one year, and current liabilities payable to vendors, financial institutions, and nonprofit organizations.

**GIRL SCOUTS OF CALIFORNIA'S CENTRAL COAST**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 15 – LIQUIDITY (continued)**

Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2023:

|   |    |                  |
|---|----|------------------|
| Current assets  |    |                  |
| Cash and cash equivalents available within one year   | \$ | 1,291,671        |
| Accounts and contributions receivable   |    | <u>316,285</u>   |
| Total Current Assets  |    | <u>1,607,956</u> |
| Investments   |    | 3,620,174        |
| Less investments unavailable for general expenditures within one year:  |    |                  |
| Endowments and other funds subject to spending policy appropriations beyond one year:                           |    |                  |
| With donor restrictions   |    | <u>(84,580)</u>  |
| Total Investments   |    | <u>3,535,594</u> |
| Current liabilities   |    | <u>(778,701)</u> |
| Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2023 | \$ | <u>4,364,849</u> |

**Note 16 – SBA LOAN UNDER PAYCHECK PROTECTION PROGRAM**

On February 22, 2021, the Council received loan funding of \$477,570 from the second draw on the CARES PPP loan program related to the COVID-19 pandemic. On April 28, 2022, the loan was forgiven and paid by the Small Business Administration (SBA). Accordingly, the amount forgiven of \$477,570 has been reported as federal grant revenue as of September 30, 2022.

**Note 17 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through February 21, 2024, the date the financial statements were available for issuance.