



GIRL SCOUTS OF NASSAU COUNTY, INC.

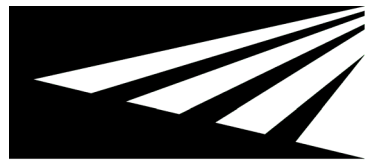
**FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

**GIRL SCOUTS OF NASSAU COUNTY, INC.
INDEX TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022**

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NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Girl Scouts of Nassau County, Inc.:

Opinion

We have audited the accompanying financial statements of the Girl Scouts of Nassau County, Inc. (the "Girl Scouts", a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, 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 the Girl Scouts of Nassau County, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

NawrockiSmith

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Girl Scouts' 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 Girl Scouts' ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Girl Scouts' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hauppauge, New York
March 27, 2024



GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS:		
Unrestricted cash and cash equivalents	\$ 556,911	\$ 1,670,253
Investments	16,297,458	19,190,724
Accounts receivable	35,575	29,820
Materials for sale or use	175,509	172,012
Prepaid expenses	84,652	104,827
Right-of-use assets - operating, net	11,227	17,954
Total current assets	17,161,332	21,185,590
RESTRICTED CASH AND CASH EQUIVALENTS	57,949	57,949
RIGHT-OF-USE ASSETS - operating, net	41,763	4,027
PROPERTY AND EQUIPMENT, at cost, net of accumulated depreciation of \$8,596,829 and \$8,192,725, respectively	5,351,280	4,047,076
Total assets	\$ 22,612,324	\$ 25,294,642
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Loan payable to financial institution	\$ -	\$ 2,187,395
Leases payable - operating	11,227	17,954
Accounts payable	70,260	72,124
Accrued liabilities	232,218	201,544
Deferred revenue	19,691	333,525
Total current liabilities	333,396	2,812,542
LEASES PAYABLE - operating, net of current portion	41,763	4,027
Total liabilities	375,159	2,816,569
NET ASSETS:		
Net assets without donor restrictions -		
Undesignated Fund	3,842,655	4,122,341
Board Endowment Fund	405,950	830,666
Capital Fund	687,112	585,690
New Directions Fund	17,243,499	16,881,427
Total net assets without donor restrictions	22,179,216	22,420,124
Net assets with donor restrictions	57,949	57,949
Total net assets	22,237,165	22,478,073
Total liabilities and net assets	\$ 22,612,324	\$ 25,294,642

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

GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for 2022)

	Net Assets Without Donor Restrictions				Net Assets With Donor Restrictions	Total All Funds	
	Undesignated Fund	Board Endowment Fund	Capital Fund	New Directions Fund		2023	2022
	PUBLIC SUPPORT AND REVENUES:						
Public support:							
Foundations, trusts and other grants	\$ 123,161	\$ -	\$ -	\$ -	\$ -	\$ 123,161	\$ 1,903,687
Special fundraising events, net of direct costs of \$58,493 and \$56,782, respectively	81,052	-	-	-	-	81,052	129,743
Annual giving	59,537	-	-	-	-	59,537	44,341
United Way and community chests	13,140	-	-	-	-	13,140	15,023
Total public support	276,890	-	-	-	-	276,890	2,092,794
Revenues:							
Cookie and fall product sales, net of direct costs of \$1,642,262 and \$1,570,064, respectively	2,990,332	-	-	-	-	2,990,332	2,778,475
Program service fees	643,246	-	-	-	-	643,246	641,051
Sale of supplies and services, net of direct costs of \$260,324 and \$242,263, respectively	213,270	-	-	-	-	213,270	210,148
Site use fees	29,472	-	-	-	-	29,472	25,098
Other	870	-	-	-	-	870	28,007
Total revenues	3,877,190	-	-	-	-	3,877,190	3,682,779
Total public support and revenues	4,154,080	-	-	-	-	4,154,080	5,775,573
EXPENSES:							
Program services	5,382,629	-	-	-	-	5,382,629	5,086,713
Supporting services	1,706,049	-	-	-	-	1,706,049	1,337,980
Total expenses	7,088,678	-	-	-	-	7,088,678	6,424,693
Deficiency of public support and revenues under expenses	(2,934,598)	-	-	-	-	(2,934,598)	(649,120)
OTHER CHANGES IN NET ASSETS:							
Unrealized gain (loss) on investments held, net	8,807	(41,366)	93,103	780,627	-	841,171	(4,229,962)
Investment income, net	27,215	166,650	23,319	1,637,775	-	1,854,959	922,221
Loss on disposal of fixed assets	(2,440)	-	-	-	-	(2,440)	-
Net transfers among net assets	2,621,330	(550,000)	(15,000)	(2,056,330)	-	-	-
Change in net assets	(279,686)	(424,716)	101,422	362,072	-	(240,908)	(3,956,861)
NET ASSETS, BEGINNING OF YEAR	4,122,341	830,666	585,690	16,881,427	57,949	22,478,073	26,434,934
NET ASSETS, END OF YEAR	\$ 3,842,655	\$ 405,950	\$ 687,112	\$ 17,243,499	\$ 57,949	\$ 22,237,165	\$ 22,478,073

The accompanying notes to financial statements are an
integral part of this statement.

GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for 2022)

	Program Service Expenses				Total Program Services	Supporting Service Expenses			Total Supporting Services	Total Expenses	
	Membership	Volunteerism	Programs	Camp		Management and General		Fund Raising		2023	2022
						Management	Public Relations				
Salaries and related expenses:											
Salaries	\$ 665,797	\$ 477,195	\$ 1,752,929	\$ 130,904	\$ 3,026,825	\$ 469,624	\$ 257,436	\$ 168,875	\$ 895,935	\$ 3,922,760	\$ 3,474,568
Benefits	83,290	83,668	217,314	870	385,142	48,875	17,225	22,433	88,533	473,675	453,616
Payroll taxes	46,151	34,569	134,672	-	215,392	34,577	18,107	11,997	64,681	280,073	248,721
Total	795,238	595,432	2,104,915	131,774	3,627,359	553,076	292,768	203,305	1,049,149	4,676,508	4,176,905
Professional fees	3,295	3,530	25,953	8,042	40,820	206,556	51,480	18,492	276,528	317,348	189,772
Supplies	18,743	15,117	41,408	219,042	294,310	3,337	1,649	1,938	6,924	301,234	295,454
Underfunded pension expense	98,576	63,784	60,885	5,100	228,345	20,994	26,094	14,496	61,584	289,929	314,083
Occupancy	15,511	11,115	42,906	117,119	186,651	16,280	5,995	3,926	26,201	212,852	249,795
Printing and publications	52,850	12,629	86,942	6,782	159,203	11,653	15,379	10,273	37,305	196,508	151,731
Insurance	9,956	7,135	28,159	64,717	109,967	22,261	3,848	2,520	28,629	138,596	136,424
Transportation	1,511	9	63,725	45,683	110,928	16,126	25	109	16,260	127,188	50,950
Financial assistance	82,008	-	-	11,568	93,576	-	-	-	-	93,576	55,983
Conferences and conventions	361	1,817	30,950	639	33,767	54,520	31	2,950	57,501	91,268	98,899
Other	161	6,002	15,044	17,725	38,932	35,240	127	645	36,012	74,944	75,773
Equipment and maintenance	5,951	4,265	15,553	22,305	48,074	4,950	2,300	1,506	8,756	56,830	60,088
Telephone	4,327	3,417	11,346	13,949	33,039	5,196	2,107	920	8,223	41,262	34,682
Postage	688	152	10,411	1,682	12,933	4,800	246	900	5,946	18,879	18,520
Operating lease expense	1,835	1,315	4,349	7,096	14,595	1,761	709	465	2,935	17,530	18,337
Total operating expenses	1,091,011	725,719	2,542,546	673,223	5,032,499	956,750	402,758	262,445	1,621,953	6,654,452	5,927,396
Depreciation	60,690	43,506	149,256	88,392	341,844	42,806	23,465	15,373	81,644	423,488	416,730
Loan interest	1,823	1,306	5,157	-	8,286	1,285	705	462	2,452	10,738	80,567
Total non-operating expenses	62,513	44,812	154,413	88,392	350,130	44,091	24,170	15,835	84,096	434,226	497,297
Total expenses	\$ 1,153,524	\$ 770,531	\$ 2,696,959	\$ 761,615	\$ 5,382,629	\$ 1,000,841	\$ 426,928	\$ 278,280	\$ 1,706,049	\$ 7,088,678	\$ 6,424,693

The accompanying notes to financial statements are an integral part of this statement.

GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENTS OF CASH FLOWS (INDIRECT METHOD)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (240,908)	\$ (3,956,861)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	423,488	416,730
Unrealized loss (gain) on investments	(841,171)	4,229,962
Loss on disposal of fixed assets	2,440	-
Net (increase) decrease in accounts receivable	(5,755)	135,726
Net increase in materials for sale or use	(3,497)	(6,743)
Net increase (decrease) in prepaid expenses	20,175	(30,799)
Net decrease in accounts payable	(1,864)	(24,804)
Net increase in accrued liabilities	30,674	9,139
Net decrease in deferred revenue	(313,834)	(113,141)
	(930,252)	659,209
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,730,132)	(74,453)
Purchase of investments	(8,832,644)	(4,581,113)
Sale of investments	12,567,081	4,851,091
	2,004,305	195,525
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loan payable to financial institution	(2,187,395)	(919,433)
	(2,187,395)	(919,433)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,113,342)	(64,699)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,728,202	1,792,901
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 614,860	\$ 1,728,202
SUPPLEMENTAL CASH FLOW INFORMATION:		
Retirement of fully depreciated fixed assets	\$ 19,384	\$ 22,963
Cash paid for interest	\$ 10,738	\$ 80,567
Initial recognition of right-of-use asset via lease liability	\$ 53,697	\$ 39,439
COMPONENTS OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH ON THE STATEMENTS OF FINANCIAL POSITION		
Unrestricted cash and cash equivalents	\$ 556,911	\$ 1,670,253
Restricted cash and cash equivalents	57,949	57,949
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	\$ 614,860	\$ 1,728,202

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

**GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS**

(1) Organization and purpose

The Girl Scouts of Nassau County, Inc. (the "Girl Scouts") is a not-for-profit organization which was founded and incorporated under the laws of the State of New York in 1965. Girl Scouting builds girls of courage, confidence and character, who make the world a better place.

(2) Summary of significant accounting policies

The accompanying financial statements include the assets, liabilities, revenues and expenses of all the funds of the Girl Scouts of Nassau County, Inc. The following is a summary of significant accounting policies followed by the Girl Scouts:

Financial statement presentation -

The accompanying financial statements include the accounts of the Girl Scouts' programs, administration, and fundraising. The Girl Scouts presents its financial statements in accordance with U.S. generally accepted accounting principles which require that the Girl Scouts' financial statements distinguish between those with and without donor restricted net assets and changes in net assets. The Girl Scouts' net assets consist of the following:

Without donor restrictions - net assets of the Girl Scouts which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Girl Scouts.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As required by U.S. generally accepted accounting principles, the Girl Scouts have also presented Statements of Cash Flows for the years ended December 31, 2023 and 2022.

Cash and cash equivalents -

All highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Investments -

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Girl Scouts follow U.S. generally accepted accounting principles regarding fair value measurements which establish a fair value hierarchy requiring an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Investment income is recorded when earned and considered available for unrestricted use unless otherwise restricted by the donor. Realized and unrealized gains and losses are determined on the basis of specific identification.

GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Liquidity considerations -

Quantitative

As of December 31, 2023, the Girl Scouts has \$16,889,944 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for expenditures in the ensuing year.

Qualitative

As of December 31, 2023, the Girl Scouts has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 30 days of normal operating expenses, which are, on average, approximately \$500,000.

Property and equipment -

Property and equipment consist of land, buildings and equipment which include the main administrative facilities and campsite. Property and equipment are included in the accompanying financial statements at cost, or if acquired by gift, at the approximate market value at the date of gift. Such gifts are reported as unrestricted support unless the donor has restricted the donated assets for a specific purpose.

The Girl Scouts follow the practice of capitalizing all expenditures over \$1,500. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets (generally periods of five to forty-five years).

Right-of-use assets and lease liabilities -

The Girl Scouts comply with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("Topic 842"). All leases entered into by the Girl Scouts are required to be recognized and measured. In applying Topic 842, the Girl Scouts made an accounting policy election not to recognize the right-of-use assets and lease liabilities relating to short-term leases.

The Girl Scouts determine if an arrangement is or contains a lease at inception. The Girl Scouts' operating lease arrangements are comprised of office equipment. Right-of-use assets represent the Girl Scouts' right to use the underlying assets for the lease term and lease liabilities represent the Girl Scouts' obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Girl Scouts' leases do not provide an implicit rate and the implicit rate is not readily determinable, the Girl Scouts estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. Right-of-use assets also exclude lease incentives.

GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Impairment of long-lived assets and long-lived assets to be disposed of -

The Girl Scouts follows the provision of the FASB Accounting Standards Codification (“ASC”) on accounting for the impairment and disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. These principles did not have any impact on the Girl Scouts’ financial position, results of activities or liquidity during the years ended December 31, 2023 and 2022.

Revenue and expense recognition -

The following are the significant revenue and expense recognition policies of the Girl Scouts:

Contributions and grants -

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Girl Scouts report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Girl Scouts will record such disallowance at the time the final assessment is made.

Membership dues -

Membership dues are recognized ratably over the period of membership, which is on a fiscal-year basis. Benefits are recognized ratably over the membership period since this most closely approximates the transfer of such member services. Unearned membership revenue is reflected as deferred revenue on the Statements of Financial Position.

Sponsorship revenue -

The portion of sponsorship revenue that relates to the commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Special event revenue - ticket sales -

The portion of ticket sales that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Donated services -

A number of volunteers have donated significant amounts of their time in the Girl Scouts' program services, supporting services and in fundraising campaigns. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying financial statements.

Functional expenses -

The Statement of Functional Expenses reports certain categories of expenses that are attributable to one or more program or supporting functions of the Girl Scouts. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include: salaries, fringe benefits and payroll taxes which are allocated on the basis of estimates of time and effort.

Income taxes -

The Girl Scouts qualify as a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for federal or state income taxes is required.

Summarized comparative information -

The 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 U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Girl Scouts' financial statements for the year ended December 31, 2022, from which the summarized information was derived.

The use of estimates in the preparation of financial statements -

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

Reclassifications -

Certain reclassifications of prior year balances on the Statements of Financial Position and the Statements of Functional Expenses have been made to conform to the current year presentation. These reclassifications had no effect on the change in net assets for the year ended December 31, 2022.

**GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

(3) Cash and cash equivalents

Cash and cash equivalents as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Cash in banks and on hand	\$ 601,457	\$ 1,714,799
Time deposits and money market funds	<u>13,403</u>	<u>13,403</u>
	<u>\$ 614,860</u>	<u>\$ 1,728,202</u>

(4) Investments

Investments as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
U.S. equities	\$ 9,582,370	\$ 12,339,464
Fixed income	6,267,366	6,008,539
Common stock	251,737	277,967
Alternative investments	195,915	564,684
Preferred stock	<u>70</u>	<u>70</u>
	<u>\$ 16,297,458</u>	<u>\$ 19,190,724</u>

(5) Fair value measurements

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Girl Scouts have adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The following methods and assumptions were used by the Girl Scouts in addressing the fair value of financial instruments:

**GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

U.S. equities -

U.S. equities are invested primarily in stocks, which can be actively or passively (index funds) managed. U.S. equities are principally categorized according to company size, the investment style of the holdings in the portfolio and geography. Size is determined by a company's market capitalization, while the investment style, reflected in the fund's stock holdings, is also used to categorize equity mutual funds.

Fixed income -

A type of investing for which real return rates or periodic income are received at regular intervals at reasonably predictable levels.

Common stock -

Common stock are securities that represent equity ownership that also comes with voting rights in a company or organization.

Alternative investments -

Mainly consist of investments in hedge funds that are aggressively managed portfolios of investments using advanced investment strategies such as leveraged, long, short, and derivative positions in both domestic and international markets with the goal of generating high returns.

Preferred stock -

Preferred stock are securities that represent equity ownership. Preferred stockholders have precedence when dividends are paid out.

The following table represents the Girl Scouts' fair value hierarchy for investments as of December 31, 2023:

	Fair Value	Level 1	Level 2	Level 3
U.S. equities	\$ 9,582,370	\$ 9,582,370	\$ -	\$ -
Fixed income	6,267,366	6,267,366	-	-
Common stock	251,737	251,737	-	-
Alternative investments	195,915	-	195,915	-
Preferred stock	70	70	-	-
	<u>\$ 16,297,458</u>	<u>\$ 16,101,543</u>	<u>\$ 195,915</u>	<u>\$ -</u>

The following table represents the Girl Scouts' fair value hierarchy for investments as of December 31, 2022:

	Fair Value	Level 1	Level 2	Level 3
U.S. equities	\$ 12,339,464	\$ 12,339,464	\$ -	\$ -
Fixed income	6,008,539	6,008,539	-	-
Common stock	277,967	277,967	-	-
Alternative investments	564,684	-	564,684	-
Preferred stock	70	70	-	-
	<u>\$ 19,190,724</u>	<u>\$ 18,626,040</u>	<u>\$ 564,684</u>	<u>\$ -</u>

GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of December 31, 2023 and 2022, the Girl Scouts do not possess any Level 3 type investments.

Investment income, which is included in the Statements of Activities and Changes in Net Assets for the years ended December 31, 2023 and 2022, consists of the following:

	<u>2023</u>	<u>2022</u>
Realized gain	\$ 1,406,627	\$ 552,089
Unrealized gain	841,171	(4,229,962)
Interest and dividends	550,660	515,215
Investment fees	<u>(102,328)</u>	<u>(145,083)</u>
	<u>\$ 2,696,130</u>	<u>\$ (3,307,741)</u>

(6) Property and equipment

Property and equipment balances as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Buildings and improvements	\$ 12,043,258	\$ 10,365,530
Furniture, vehicles and equipment	1,192,303	1,175,858
Land and land improvements	<u>712,548</u>	<u>698,413</u>
	13,948,109	12,239,801
Less: accumulated depreciation	<u>8,596,829</u>	<u>8,192,725</u>
	<u>\$ 5,351,280</u>	<u>\$ 4,047,076</u>

(7) Loan payable to financial institution

The Girl Scouts have a portfolio loan agreement with a financial institution in the amount of \$6,732,000, which is being used for the reconstruction of their administrative building. The portfolio loan has a variable interest rate of LIBOR plus 1.75%, and is collateralized by the Girl Scouts' investments. In January 2023, the Girl Scouts paid the remaining balance on the portfolio loan, and the liability has been fully satisfied as of December 31, 2023. As of December 31, 2022, the outstanding balance on this loan was \$2,187,395.

(8) Leases

The Girl Scouts evaluated current contracts to determine which met the criteria of a lease. The right-of-use ("ROU") asset represents the Girl Scouts' right to use the underlying assets for the lease term, and the lease liability represents the Girl Scouts' obligation to make lease payments arising from these leases. The ROU asset and lease liability, which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Girl Scouts have made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liability was 3.36%.

The Girl Scouts' operating leases are for office equipment. As of December 31, 2023, the remaining lease term for the Girl Scouts' operating leases was approximately 4.86 years.

**GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Cash paid for operating leases for the years ended December 31, 2023 and 2022 was \$17,530 and \$18,337, respectively. There were no noncash investing and financing transactions related to leasing.

Future maturities of lease liabilities are presented in the following table, for the fiscal years ending December 31:

<u>Year Ending December 31:</u>	
2024	\$ 12,798
2025	11,148
2026	11,148
2027	11,148
2028	<u>11,148</u>
Total lease payments	57,390
Less: present value discount	<u>(4,400)</u>
Present value of lease liabilities	<u><u>\$ 52,990</u></u>

(9) Board endowment funds

The Board of Directors has established three separate endowment funds to meet the objectives of the Girl Scouts. The investment policies adopted by the Board serve to protect the endowment investment principal, while obtaining a reasonable and competitive return on assets. All dividends and interest on endowment funds are currently appropriated for expenditure. A description of each fund is as follows:

Board Endowment Fund -

In 1995, the Board of Directors of the Girl Scouts authorized the Endowment Fund and the Facilities Development Fund to be combined into one fund, the "Board Endowment Fund". Although this fund is not legally restricted, it may only be used at the discretion of the Board of Directors by specific resolution of such governing body. The purpose of this Fund is to enable the Girl Scouts to have another income source to fund operations on a planned, annual basis; and to preserve adequate, long-term cash reserves.

Capital Fund -

In 1996, the Board of Directors established the "Capital Fund". This fund was initially funded through the net proceeds provided from the sale of the Girl Scouts' Bethpage building on August 20, 1996 and the Westdale property on January 3, 1997. It is to be used to fund capital and related capital expenditures on a planned, annual basis; and to preserve adequate, long-term cash reserves.

New Directions Fund -

In 2007, the Board of Directors established the "New Directions Fund", which was funded through certain proceeds provided from the sale of the Girl Scouts' Camp Tekakwitha. Initial transfers of \$5,000,000 were made to each of the Board Endowment Fund and the Capital Fund, with the balance to be used to fund new program initiatives and enhance current programs.

**GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

(10) Net assets with donor restrictions

Certain details with respect to net assets with donor restrictions at December 31, 2023 and 2022 are summarized as follows:

	2023	2022
Financial assistance	\$ 47,949	\$ 47,949
Adult recognition	10,000	10,000
Total net assets with donor restrictions	\$ 57,949	\$ 57,949

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 applicable law require the Girl Scouts to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2023 and 2022.

The Girl Scouts have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the original value of the gift.

The Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) requires 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, the Girl Scouts classify as net assets with donor restrictions (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. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(11) Employee benefits

Retirement plan -

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

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

**GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

403(B) plan -

The Girl Scouts have a 403(B) plan whereby an employee can contribute up to 4% of their compensation, and the Girl Scouts will match half of such contributions. In addition, in lieu of the frozen defined benefit pension plan, the Girl Scouts contribute 3% of total compensation for all eligible employees.

The Girl Scouts made total contributions to this plan of \$129,202 and \$137,141 for the years ended December 31, 2023 and 2022, respectively.

(12) Special events

A source of revenue for the Girl Scouts is derived from several special fundraising events which are conducted during the year. An analysis of the results of these events by activity is as follows:

	Gross Revenues	Direct Costs	Net Proceeds
2023			
Wine and Dine Fall Event	\$ 70,621	\$ 30,632	\$ 39,989
Legacy Luncheon	68,924	27,861	41,063
Total	\$ 139,545	\$ 58,493	\$ 81,052
2022			
Mobilizing Our Mission	\$ 108,846	\$ 24,812	\$ 84,034
Power of the Trefoil	77,679	31,970	45,709
Total	\$ 186,525	\$ 56,782	\$ 129,743

(13) Commitments and contingencies

Concentrations of credit risk -

The Girl Scouts maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. The Girl Scouts have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk on cash and cash equivalents.

(14) Subsequent events

The Girl Scouts have evaluated subsequent events through March 27, 2024, which is the date these financial statements were available to be issued. Based on this evaluation, the Girl Scouts has determined there are no matters which require disclosure in the financial statements.