Financial Statements
September 30, 2021 and 2020

Girl Scouts of Utah

Independent Auditor's Report

To the Board of Directors
Girl Scouts of Utah
Salt Lake City, Utah

Report on the Financial Statements
We have audited the accompanying financial statements of Girl Scouts of Utah, which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Utah as of September 30, 2021 and 2020, 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.

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 24 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Eide Bailly LLP

Salt Lake City, Utah
January 14, 2022

	2021	2020
Assets		
Current assets		
Cash	$ 3,540,335	$ 3,668,102
Accounts receivable	12,750	37,141
Promises to give	-	375
Inventory	72,729	78,922
Prepaid expenses and other assets	46,725	33,786
Total current assets	3,672,539	3,818,326
Property and equipment, net	10,727,680	10,938,870
Long-term investments	4,544,353	4,630,274
Total assets	$ 18,944,572	$ 19,387,470
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 78,733	$ 71,898
Accrued expenses and other liabilities	278,635	586,038
Funds held for others	38,420	19,249
Deferred revenue	41,727	4,467
Capital lease obligations - current portion	5,726	4,971
Paycheck Protection Program loan - current portion	9,529	42,088
Long-term debt - current portion	229,420	166,215
Total current liabilities	682,190	894,926
Capital lease obligations, less current portion	17,428	4,032
Paycheck Protection Program loan, less current portion	477,261	467,891
Long-term debt, less current portion	1,285,082	3,045,672
Total liabilities	2,461,961	4,412,521
Net Assets		
Without donor restrictions		
Undesignated	2,418,905	2,249,144
Invested in property and equipment, net of related debt	9,190,024	7,717,980
Board-designated investments	4,544,353	4,630,274
	16,153,282	14,597,398
With donor restrictions	329,329	377,551
Total net assets	16,482,611	14,974,949
Total liabilities and net assets	$ 18,944,572	$ 19,387,470

	2021	2020
Net Assets without Donor Restrictions		
Revenue, support, and gains		
Donations	$ 316,270	$ 149,588
Program service fees	439,252	49,681
Cookie sales	5,615,813	7,138,386
Less cost of cookie sales	(2,034,891)	(2,274,328)
Net cookie sales	3,580,922	4,864,058
Fall product sales	81,331	48,583
Less cost of fall products	(45,309)	(25,220)
Net fall product sales	36,022	23,363
Gift shop sales	231,420	218,024
Less cost of goods sold	(123,231)	(175,121)
Net gift shop sales	108,189	42,903
Net investment return	833,732	385,456
Lease income, net	16,334	18,493
Rental income	-	12,600
Paycheck Protection Program loan forgiveness	514,173	-
Other revenue	28,050	24,546
Special events revenue	21,210	141,726
Less cost of direct benefits to donors	(7,952)	(47,209)
Net special events revenue	13,258	94,517
Gain (loss) on disposal of equipment	1,155	(549)
Net assets released from restrictions	128,950	160,438
Total revenue, support, and gains without donor restrictions	6,016,307	5,825,094

	2021	2020
Expenses		
Program services expense		
Girls' services	3,425,535	3,469,986
Supporting services expense		
Management and general	632,441	649,222
Fundraising	402,447	380,153
Total expenses	4,460,423	4,499,361
Change in net assets without donor restrictions	1,555,884	1,325,733
Net Assets with Donor Restrictions		
Revenue, support, and gains		
Grants and contributions	80,728	152,538
Net assets released from restrictions	(128,950)	(160,438)
Change in net assets with donor restrictions	(48,222)	(7,900)
Change in Net Assets	1,507,662	1,317,833
Net Assets, Beginning of Year	14,974,949	13,657,116
Net Assets, End of Year	$ 16,482,611	$ 14,974,949

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries	$ 1,521,293	$ 301,417	$ 178,728	$ 480,145	$ 2,001,438
Benefits	336,557	66,683	39,540	106,223	442,780
Total salaries and benefits	1,857,850	368,100	218,268	586,368	2,444,218
Professional fees	135,437	26,834	15,912	42,746	178,183
Supplies	436,398	86,465	51,270	137,735	574,133
Cost of cookie sales	2,034,891	-	-	-	2,034,891
Cost of fall product sales	45,309	-	-	-	45,309
Cost of goods sold	123,231	-	-	-	123,231
Cost of direct benefits to donors	-	-	7,952	7,952	7,952
Telephone	63,421	12,566	7,451	20,017	83,438
Postage	11,036	2,186	1,298	3,484	14,520
Printing and publications	37,091	7,349	4,358	11,707	48,798
Occupancy, utilities, and building maintenance	195,362	38,707	22,952	61,659	257,021
Equipment rental, repairs and maintenance	52,184	10,340	6,131	16,471	68,655
Travel	36,168	7,166	4,249	11,415	47,583
Assistance to girls	43,183	8,556	5,073	13,629	56,812
Depreciation	300,369	59,513	35,288	94,801	395,170
Interest expense	78,201	15,494	9,188	24,682	102,883
Insurance	108,044	21,407	12,693	34,100	142,144
Bank charges, recruitment, bad debt, and other	70,791	14,026	8,316	22,342	93,133
	5,628,966	678,709	410,399	1,089,108	6,718,074
Less expenses included with revenue on the statement of activities					
Cost of cookie sales	(2,034,891)	-	-	-	(2,034,891)
Cost of fall product sales	(45,309)	-	-	-	(45,309)
Cost of goods sold	(123,231)	-	-	-	(123,231)
Cost of direct benefits to donors	-	-	(7,952)	(7,952)	(7,952)
Tenant allocated costs	-	(46,268)	-	(46,268)	(46,268)
Total expenses included in the expense section on the statement of activities	$ 3,425,535	$ 632,441	$ 402,447	$ 1,034,888	$ 4,460,423

See Notes to Financial Statements

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries	$ 1,587,118	$ 316,385	$ 173,877	$ 490,262	$ 2,077,380
Benefits	379,395	75,630	41,564	117,194	496,589
Total salaries and benefits	1,966,513	392,015	215,441	607,456	2,573,969
Professional fees	160,583	32,011	17,592	49,603	210,186
Supplies	399,714	79,681	43,791	123,472	523,186
Cost of cookie sales	2,274,328	-	-	-	2,274,328
Cost of fall product sales	25,220	-	-	-	25,220
Cost of goods sold	175,121	-	-	-	175,121
Cost of direct benefits to donors	-	-	47,209	47,209	47,209
Telephone	65,951	13,147	7,225	20,372	86,323
Postage	11,133	2,219	1,219	3,438	14,571
Printing and publications	41,124	8,198	4,505	12,703	53,827
Occupancy, utilities, and building maintenance	150,788	30,059	16,520	46,579	197,367
Equipment rental, repairs and maintenance	64,884	12,934	7,108	20,042	84,926
Travel	44,936	8,958	4,923	13,881	58,817
Assistance to girls	25,254	5,034	2,767	7,801	33,055
Depreciation	302,243	60,251	33,112	93,363	395,606
Interest expense	102,483	20,430	11,228	31,658	134,141
Insurance	90,116	17,965	9,873	27,838	117,954
Bank charges, recruitment, bad debt, and other	44,264	8,824	4,849	13,673	57,937
	5,944,655	691,726	427,362	1,119,088	7,063,743
Less expenses included with revenues on the statement of activities					
Cost of cookie sales	(2,274,328)	-	-	-	(2,274,328)
Cost of fall product sales	(25,220)	-	-	-	(25,220)
Cost of goods sold	(175,121)	-	-	-	(175,121)
Cost of direct benefits to donors	-	-	(47,209)	(47,209)	(47,209)
Tenant allocated costs	-	(42,504)	-	(42,504)	(42,504)
Total expenses included in the expense section on the statement of activities	$ 3,469,986	$ 649,222	$ 380,153	$ 1,029,375	$ 4,499,361

	2021	2020
Operating Activities		
Change in net assets	$ 1,507,662	$ 1,317,833
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	395,170	395,606
Loss (gain) on the disposal of property and equipment	(1,155)	549
Paycheck Protection Program loan forgiveness	(514,173)	-
Net realized and unrealized gain on investments	(785,988)	(318,011)
Changes in operating assets and liabilities		
Accounts receivable and promises to give	24,766	(18,676)
Inventory	6,193	63,469
Prepaid expenses and other assets	(12,939)	(11,740)
Accounts payable	6,835	18,392
Accrued expenses and other liabilities	(303,209)	232,619
Funds held for others	19,171	12,417
Deferred revenue	37,260	(104,882)
Net Cash from Operating Activities	379,593	1,587,576
Investing Activities		
Purchases of investments	(76,538)	(90,618)
Proceeds from sales of investments	948,447	28,808
Purchases of property and equipment	(161,438)	(77,764)
Proceeds from sale of property and equipment	1,600	-
Net Cash from (used for) Investing Activities	712,071	(139,574)
Financing Activities		
Principal payments on capital lease obligations	(8,836)	(20,446)
Principal payments on long-term debt	(1,697,385)	(398,112)
Proceeds from Paycheck Protection Program loan	486,790	509,979
Net Cash from (used for) Financing Activities	(1,219,431)	91,421
Net Change in Cash	(127,767)	1,539,423
Cash, Beginning of Year	3,668,102	2,128,679
Cash, End of Year	$ 3,540,335	$ 3,668,102
Supplemental Disclosure of Cash Flow Information		
Equipment acquired through capital lease obligation	$ 22,987	$ -
Cash paid during the year for		
Interest	$ 140,064	$ 135,620

Note 1 - Principal Activity and Significant Accounting Policies

Organization

The jurisdiction of the Girl Scouts of Utah (the Council) covers the State of Utah and the City of Wendover, Nevada (with the exception of the Navajo Lands). The Council follows the mission statement of the Girl Scouts of the USA, which is, “Girl Scouting builds girls of courage, confidence, and character, who make the world a better place.” Program services include activities that provide every girl a chance to practice a lifetime of leadership, adventure and success. The Council receives support from volunteers, including the elected Board of Directors and board committee members.

Cash

Cash consists of holdings in checking and savings accounts at a financial institution.

Cash does not include bank accounts held by Girl Scout troops and other groups such as service units under the federal identification number of Girl Scouts of Utah. Bank accounts held by troops and groups are not under the control of the Council, and therefore not included in these financial statements. The Council has no signature authority over and 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. If a troop or group is about to disband, the troop may use the funds to pay for lifetime memberships in Girl Scouts of the USA, to pay for a final group activity, to donate to groups or projects they consider worthwhile, to donate to the Juliette Lowe Fund (a separate nonprofit organization) or to the Girl Scouts of Utah’s financial assistance funds. If a troop or group disbands without making a determination as to the final distribution of funds, the funds will revert to the Council for holding for a period of 12 months in case the troop re-forms or members of the troop join other troops. If, after this time, funds are not claimed, they will be considered a donation to the Girl Scouts of Utah outreach program.

Receivables and Credit Policies

Accounts receivable consist primarily of amounts due from Girl Scouts related to cookie sales. Management determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. No allowance for uncollectible accounts receivable was recorded at September 30, 2021 and 2020.

Promises to Give

The Council records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designated to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities.

Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At September 30, 2021 and 2020, the allowance was $0.

Inventory

Inventory is primarily comprised of program-related merchandise held for sale in the gift shops and is stated at the lower of cost or net realizable value, determined on a first-in, first-out basis. The Council has evaluated and determined there to be no allowance for inventory obsolescence.

Property and Equipment

Property and equipment additions over $2,500, and all livestock, are recorded at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years or, in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. Livestock is recorded at cost and is depreciated over seven years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Council reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2021 and 2020.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external investment expenses.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, certain amounts to be used for operating and replacement reserves and a board-designated endowment as more fully described in Note 8.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Council reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restricted funds are released when a restriction expires, that is, when the stipulation time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized from sales of cookies, gift shop merchandise, and other products and program fees as the related performance obligations are satisfied. The Council's performance obligation for sale of cookies is to deliver purchased cookies. The performance obligation for sales of gift shop merchandise and other products is the delivery of the merchandise or product. For program fees the performance obligation is the occurrence of the program event. Performance obligations for sales of cookies, gift shop merchandise, and other products occur at a point in time whereas the performance obligations for program fees occur over a period of time. Program service fees received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The beginning and ending balances for accounts receivable and deferred revenue were as follows for the years ended September 30, 2021 and 2020:

	2020 October 1	2021 September 30
Accounts receivable	$ 37,141	$ 12,750
Deferred revenue	4,467	41,727

	2019 October 1	2020 September 30
Accounts receivable	$ 15,950	$ 37,141
Deferred revenue	109,349	4,467

The following table disaggregates the Council's revenue from contracts with customers based on the timing of satisfaction of performance obligations for the years ended September 30, 2021 and 2020:

	2021	2020
Revenue recognized at a point in time	$ 5,928,564	$ 7,404,993
Revenue recognized over time	439,252	49,681
Total revenue from contracts with customers	$ 6,367,816	$ 7,454,674

Cookie Activity Credits

As a sales incentive, the Council issues credits to those who sell a certain number of cookies, which are redeemable for program and membership fees and Girl Scout merchandise. The value of these credits is recorded under supplies in the statements of functional expenses. Unredeemed and available credits are reflected in the financial statements as accrued expenses. Accrued credits as of September 30, 2021 and 2020, totaled $114,248 and $344,083, respectively. Credits expire within a specified time period and are charged back to accrued expenses upon expiration. Management has established a policy to record 80-85% of activity credits based upon the historical usage of credits. Management believes this is the best estimate of credits which will be used before their expiration.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Council's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Council records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended September 30, 2021 and 2020, respectively.

Advertising Costs

Advertising costs are expensed as incurred, and totaled $13,109 and $4,744 during the years ended September 30, 2021 and 2020, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort.

The financial statements report categories of expenses that are attributed to program services activities or supporting services activities. The expenses are generally directly attributable to a functional category with no significant allocations between program services activities and supporting services activities occurring.

Paycheck Protection Program (PPP) Loans

During the year ended September 30, 2020, the Council was issued an uncollateralized loan totaling $509,979 under the Payment Protection Program (PPP) by a Small Business Administration (SBA) approved partner. The Council initially recorded a note payable and subsequently received forgiveness when the loan obligation was legally released by the SBA. The Council recognized $514,173, including interest, of loan forgiveness income for the year ended September 30, 2021 related to this PPP loan.

The Council was granted a second PPP loan totaling $486,790 administered by a SBA approved partner. The loan is uncollateralized and is fully guaranteed by the federal government. The Council is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Council has initially recorded the loan and accrued interest as a note payable and will record forgiveness upon being legally released from the loan obligation by the SBA. No forgiveness income has been recorded for the year ended September 30, 2021. The loan requires monthly payments of $9,529 beginning upon the later of February 22, 2022, or further communication from the SBA, accrues interest at 1.0% per annum, and is due in full in February of 2026.

Income Taxes

The Council is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction and has been determined not to be a private foundation. The Council is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Council is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Council has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

The Council believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Council would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Council 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 revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from those supportive of the Council's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the Board of Directors. The investment objective of the Council is to manage the financial assets to earn an appropriate rate of return based on risk tolerance, investment time horizon, and asset allocation. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Council.

Additionally, a significant portion of the Council's revenue results from the annual cookie program campaign. Loss of this revenue source would have a significant adverse effect upon the Council.

Adoption of Accounting Standards Codification Topic 606

As of October 1, 2020, the Council adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers,* which provides a comprehensive revenue recognition model for all contracts with customers. The new model requires revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. The Council has adopted Topic 606 using the modified retrospective approach. The Council has determined that the adoption does not have an impact on the revenue recognition for the Council.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2021	2020
Cash	$ 3,540,335	$ 3,668,102
Accounts receivable	12,750	37,141
Promises to give	-	375
	$ 3,553,085	$ 3,705,618

Board-designated reserve funds totaling $4,544,353 can be made available, if necessary. As part of a liquidity management plan, cash in excess of operating requirements is invested in income, equity and bond funds.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

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

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

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

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Council's assessment of the quality, risk or liquidity profile of the asset or liability.

All of the investment assets are classified within Level 1 because they comprise open-end income, equity and bond funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at September 30, 2021:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Board-Designated Investments				
Cash equivalents (at cost)	$ 142,838	$ -	$ -	$ -
Income, equity and bond funds	4,401,515	4,401,515	-	-
	$ 4,544,353	$ 4,401,515	$ -	$ -

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at September 30, 2020:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Board-Designated Investments				
Cash and cash equivalents (at cost)	$ 128,928	$ -	$ -	$ -
Income, equity and bond funds	4,501,346	4,501,346	-	-
	$ 4,630,274	$ 4,501,346	$ -	$ -

Note 4 - Property and Equipment

Property and equipment consists of the following at September 30, 2021 and 2020:

	2021	2020
Land and Land Improvements	$ 4,767,891	$ 4,767,891
Buildings and Improvements		
Administrative buildings	2,126,638	2,011,916
Camp Cloud Rim	3,637,114	3,637,114
Trefoil Ranch	7,274,075	7,259,075
Total buildings and improvements	13,037,827	12,908,105
Equipment and Livestock		
Office equipment	381,269	418,363
Camp equipment	261,162	258,421
Vehicles	219,913	219,913
Livestock	32,200	30,000
Total equipment and livestock	894,544	926,697
	18,700,262	18,602,693
Less accumulated depreciation and amortization	(7,972,582)	(7,663,823)
	$ 10,727,680	$ 10,938,870

Note 5 - Long-Term Debt

Long-term debt consists of the following at September 30, 2021 and 2020:

	2021	2020
Note payable, due in monthly installments of $23,382, including interest, beginning February 1, 2018 through January 1, 2023, when the remaining balance is due, secured by the Council headquarters and Trefoil Ranch. Interest previously accrued at 3.99% and was modified to 3.65% effective September 1, 2019.	$ 1,514,502	$ 3,211,887
Less current portion	(229,420)	(166,215)
Noncurrent portion	$ 1,285,082	$ 3,045,672

Future maturities of long-term debt are as follows:

Years Ending September 30,	
2022	$ 229,420
2023	1,285,082
	$ 1,514,502

Note 6 - Leases

The Council leases office space and equipment under various operating leases, and equipment under various capital leases expiring at various dates through 2026.

Future minimum lease payments are as follows:

Years Ending September 30,	Capital Leases	Operating Leases
2022	$ 8,246	$ 16,253
2023	8,246	-
2024	7,226	-
2025	6,207	-
2026	1,552	-
Total minimum lease payments	31,477	$ 16,253
Less amount representing interest	(8,323)	
Capital lease obligations	$ 23,154	

Rent expense for the years ended September 30, 2021 and 2020, totaled $68,777 and $67,392, respectively.

Leased property under capital leases at September 30, 2021 and 2020, includes the following:

	2021	2020
Office equipment	$ 32,037	$ 93,605
Less accumulated amortization	(7,973)	(84,452)
	$ 24,064	$ 9,153

Note 7 - Board-Designated Net Assets without Donor Restriction

Board-designated net assets without donor restrictions consist of the following at September 30:

	2021	2020
Operating reserve funds	$ 3,657,819	$ 3,495,905
Fixed asset replacement funds	886,534	786,671
Board-designated endowment	-	347,698
	$ 4,544,353	$ 4,630,274

The Council established an operating reserve to comply with Girl Scouts of the USA's request to maintain nine months of operating funds in reserve. Sources of these longer-term investments may include campaigns, investment income and surplus funds from prior years.

The Council designates a portion of cookie sales for fixed asset replacements or other capital expenditures including, but not limited to, buildings, land, and equipment. Capital purchases are initially made with operating funds and then annually reimbursed using fixed asset replacement funds.

The Council established an endowment fund to guarantee an independent base of financial stability to carry out the mission of the Girl Scouts of the USA. The endowment fund is approximately 8% of the total Council investments. The Council considers the following factors in making a determination to accumulate board-designated endowment funds:

- The duration and preservation of the fund
- The purposes of the Council and the board-designated endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Council
- The investment policies of the Council

On May 15, 2021, the Board of Directors approved the termination of the endowment policy. During the year, the endowment investments were sold and proceeds were used to pay debt obligations.

Note 8 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

	2021	2020
Trefoil	$ 100,815	$ 100,815
Specific program services	11,572	36,428
Outreach	95,757	98,481
Camperships	56,903	71,169
Promises to give	-	375
Cornelia Benton Scholarship	58,215	62,216
Heritage	1,067	1,067
Capital campaign - Camp Cloud Rim	-	2,000
Older Girl Destination	5,000	5,000
	$ 329,329	$ 377,551

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor as follows for the years ended September 30, 2021 and 2020:

	2021	2020
Trefoil	$ 3,725	$ 23,085
Specific program services	34,727	18,210
Outreach	61,050	50,125
Camperships	22,918	-
Camp Cloud Rim	530	66,018
Cornelia Benton Scholarship	4,000	3,000
Capital Campaign Cloud Rim	2,000	-
	$ 128,950	$ 160,438

Note 9 - Employee Benefits

The Council participates in the National Girl Scout Council Retirement Plan, a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of Girl Scouts of the USA voted to freeze the plan to new entrants and to freeze future benefit accruals for all current participants under the plan effective July 31, 2010. The plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the plan prior to the plan freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels. Although net plan assets grew during the current year, net plan assets available for plan benefits continue to be less than the actuarial present value of accumulated plan benefits as of January 1, 2017. Contributions made for the years ended September 30, 2021 and 2020, were $124,152 and $142,578, respectively.

The Council implemented a 401(k) retirement plan effective January 1, 2000. Employees over 18 years of age are eligible to participate, with the Council matching 100% of the employee contribution up to 4% of compensation. Council contributions vests immediately. The Council's contributions to the plan during the years ended September 30, 2021 and 2020, totaled $64,363 and $70,490, respectively.

Note 10 - Commitments and Contingencies

As described in Note 9, the Council participates in a defined benefit pension plan sponsored by Girl Scouts of the USA which, at January 1, 2021 and 2020, has an unfunded accumulated plan benefit obligation in excess of plan assets. Currently the plan stipulates that the Council's contribution rate cannot exceed 16% of covered payroll. However, these rates are subject to change based on future market performance and future decisions regarding the timing and amounts of future benefit obligation funding. The Council will continue to fund its share of the annual unfunded accumulated plan benefit in excess of plan assets.

Note 11 - Non-Related Business Segment

The Council owns its own building and rents out approximately 11% of the building to tenants who are not related to the Council's nonprofit business operations. At September 30, 2021, 100% of the building space available for lease was occupied by tenants. It is the policy of the Council to net all tenant related revenue and expenses which consist of:

	2021	2020
Lease income	$ 62,602	$ 60,997
Less related expenses	(46,268)	(42,504)
Net lease income	$ 16,334	$ 18,493

As of September 30, 2021, the Council has a non-cancelable lease with a lease term of four years through July 2026. One of the leases expired on April 30, 2019, and the tenant is paying month-to-month until a new lease agreement is entered into.

Future minimum lease receipts are as follows:

Years Ending September 30,	
2022	$ 66,441
2023	67,761
2024	36,389
2025	26,238
2026	22,140
	$ 218,969

Note 12 - Related Party Transactions

During the years ended September 30, 2021 and 2020, the Council purchased inventory and incurred software fees totaling $129,928 and $99,278, respectively, from the Girl Scouts of the USA national organization. Of these amounts, $0 and $7,590 are included in accounts payable at September 30, 2021 and 2020, respectively.

Note 13 - Risks and Uncertainties

During 2020 and 2021, the world-wide coronavirus pandemic impacted national and global economies. The Council is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the Council is not known.

Note 14 - Subsequent Events

Subsequent to year end, the Council entered into a contract with a company to construct a ropes course at their Trefoil Ranch property. The total contract amount was approximately $260,000 with 50% paid as a down payment in December 2021. The contract is expected to be completed in summer of 2022, at which time the remaining contract amount will be due.

Subsequent events have been evaluated through January 14, 2022, the date the financial statements were available to be issued.

Supplementary Information
September 30, 2021

Girl Scouts of Utah

Report on Cookie Sales

Product sales		$ 5,615,813
Cost of products	1,255,077	
Troop proceeds	736,040	
Service unit proceeds	43,774	
Total costs		2,034,891
Net proceeds		$ 3,580,922

January 14, 2022

To the Board of Directors
Girl Scouts of Utah
Salt Lake City, Utah

We have audited the financial statements of Girl Scouts of Utah as of and for the year ended September 30, 2021, and have issued our report thereon dated January 14, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated September 29, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Girl Scouts of Utah solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Girl Scouts of Utah is included in Note 1 to the financial statements. As described in Note 1, Girl Scouts of Utah has adopted FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* as of and for the year ended September 30, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimate affecting the financial statements is estimating an accrual for activity credits at fiscal year-end. Management's estimate of the accrual for activity credits is based on historical experience.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated January 14, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Girl Scouts of Utah, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Girl Scouts of Utah's auditors.

Other Matters

With respect to the supplementary information, we made certain inquires of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the board of directors, and management of Girl Scouts of Utah, and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Salt Lake City, Utah