



Financial Statements
September 30, 2022 and 2021
Girl Scouts of Utah

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Girl Scouts of Utah, which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Utah as of September 30, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Girl Scouts of Utah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Utah's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities of 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

Eide Bailly LLP

Salt Lake City, Utah
January 17, 2023

Girl Scouts of Utah
Statements of Financial Position
September 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash	\$ 2,720,256	\$ 3,540,335
Accounts receivable	25,443	12,750
Inventory	69,666	72,729
Prepaid expenses and other assets	48,901	46,725
Total current assets	2,864,266	3,672,539
Property and equipment, net	10,536,491	10,727,680
Long-term investments	3,787,151	4,544,353
Total assets	\$ 17,187,908	\$ 18,944,572
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 49,631	\$ 78,733
Accrued expenses and other liabilities	292,069	278,635
Funds held for others	4,281	38,420
Deferred revenue	136,693	41,727
Capital lease obligations - current portion	6,329	5,726
Paycheck Protection Program loan - current portion	-	9,529
Long-term debt - current portion	-	229,420
Total current liabilities	489,003	682,190
Capital lease obligations, less current portion	11,087	17,428
Paycheck Protection Program loan, less current portion	-	477,261
Long-term debt, less current portion	-	1,285,082
Total liabilities	500,090	2,461,961
Net Assets		
Without donor restrictions		
Undesignated	1,679,903	2,418,905
Invested in property and equipment, net of related debt	10,519,075	9,190,024
Board-designated investments	3,787,151	4,544,353
Total	15,986,129	16,153,282
With donor restrictions	701,689	329,329
Total net assets	16,687,818	16,482,611
Total liabilities and net assets	\$ 17,187,908	\$ 18,944,572

Girl Scouts of Utah
 Statements of Activities
 Years Ended September 30, 2022 and 2021

	2022	2021
Net Assets without Donor Restrictions		
Revenue, support, and gains		
Donations	\$ 168,116	\$ 316,270
Program service fees	548,589	439,252
Cookie sales	6,259,151	5,615,813
Less cost of cookie sales	(2,295,952)	(2,034,891)
Net cookie sales	3,963,199	3,580,922
Fall product sales	116,122	81,331
Less cost of fall products	(39,943)	(45,309)
Net fall product sales	76,179	36,022
Gift shop sales	258,888	231,420
Less cost of goods sold	(129,569)	(123,231)
Net gift shop sales	129,319	108,189
Net investment return (loss)	(813,579)	833,732
Lease income, net	17,330	16,334
Rental income	2,050	-
Paycheck Protection Program loan forgiveness	491,032	514,173
Other revenue	37,022	28,050
Special events revenue	57,110	21,210
Less cost of direct benefits to donors	(14,316)	(7,952)
Net special events revenue	42,794	13,258
Gain (loss) on disposal of equipment	(4,125)	1,155
Net assets released from restrictions	403,475	128,950
Total revenue, support, and gains without donor restrictions	5,061,401	6,016,307

Girl Scouts of Utah
 Statements of Activities
 Years Ended September 30, 2022 and 2021

	2022	2021
Expenses		
Program services expense		
Girls' services	4,164,119	3,425,535
Supporting services expense		
Management and general	671,772	632,441
Fundraising	392,663	402,447
Total expenses	5,228,554	4,460,423
Change in net assets without donor restrictions	(167,153)	1,555,884
Net Assets with Donor Restrictions		
Revenue, support, and gains		
Grants and contributions	775,835	80,728
Net assets released from restrictions	(403,475)	(128,950)
Change in net assets with donor restrictions	372,360	(48,222)
Change in Net Assets	205,207	1,507,662
Net Assets, Beginning of Year	16,482,611	14,974,949
Net Assets, End of Year	\$ 16,687,818	\$ 16,482,611

Girl Scouts of Utah
Statement of Functional Expenses
Year Ended September 30, 2022

	Supporting Services			Total	Total Expenses
	Program Services	Management and General	Fundraising		
Salaries	\$ 1,797,163	\$ 311,144	\$ 169,466	\$ 480,610	\$ 2,277,773
Benefits	390,715	67,645	36,843	104,488	495,203
Total salaries and benefits	2,187,878	378,789	206,309	585,098	2,772,976
Professional fees	153,072	26,502	14,434	40,936	194,008
Supplies	571,545	98,952	53,895	152,847	724,392
Cost of cookie sales	2,295,951	-	-	-	2,295,951
Cost of fall product sales	39,943	-	-	-	39,943
Cost of goods sold	129,569	-	-	-	129,569
Cost of direct benefits to donors	-	-	14,316	14,316	14,316
Telephone	62,312	10,788	5,876	16,664	78,976
Postage	7,048	1,220	665	1,885	8,933
Printing and publications	30,183	5,226	2,846	8,072	38,255
Occupancy, utilities, and building maintenance	205,881	35,644	19,414	55,058	260,939
Equipment rental, repairs and maintenance	77,522	13,422	7,310	20,732	98,254
Travel	90,084	15,596	8,495	24,091	114,175
Assistance to girls	188,927	32,709	17,815	50,524	239,451
Depreciation	310,352	53,731	29,265	82,996	393,348
Interest expense	33,870	5,864	3,194	9,058	42,928
Insurance	117,629	20,365	11,092	31,457	149,086
Bank charges, recruitment, bad debt, and other	127,816	22,129	12,053	34,182	161,998
	6,629,582	720,937	406,979	1,127,916	7,757,498
Less expenses included with revenue on the statement of activities					
Cost of cookie sales	(2,295,951)	-	-	-	(2,295,951)
Cost of fall product sales	(39,943)	-	-	-	(39,943)
Cost of goods sold	(129,569)	-	-	-	(129,569)
Cost of direct benefits to donors	-	-	(14,316)	(14,316)	(14,316)
Tenant allocated costs	-	(49,165)	-	(49,165)	(49,165)
Total expenses included in the expense section on the statement of activities	<u>\$ 4,164,119</u>	<u>\$ 671,772</u>	<u>\$ 392,663</u>	<u>\$ 1,064,435</u>	<u>\$ 5,228,554</u>

See Notes to Financial Statements

Girl Scouts of Utah
Statement of Functional Expenses
Year Ended September 30, 2021

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total	
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 revenues 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

Girl Scouts of Utah
Statements of Cash Flows
Years Ended September 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ 205,207	\$ 1,507,662
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	393,348	395,170
Loss (gain) on the disposal of property and equipment	4,125	(1,155)
Paycheck Protection Program loan forgiveness	(491,032)	(514,173)
Net realized and unrealized (gain) loss on investments	864,362	(785,988)
Changes in operating assets and liabilities		
Accounts receivable	(12,693)	24,766
Inventory	3,063	6,193
Prepaid expenses and other assets	(2,176)	(12,939)
Accounts payable	(29,102)	6,835
Accrued expenses and other liabilities	17,676	(303,209)
Funds held for others	(34,139)	19,171
Deferred revenue	94,966	37,260
Net Cash from Operating Activities	1,013,605	379,593
Investing Activities		
Purchases of investments	(608,689)	(76,538)
Proceeds from sales of investments	501,529	948,447
Purchases of property and equipment	(206,284)	(161,438)
Proceeds from sale of property and equipment	-	1,600
Net Cash from (used for) Investing Activities	(313,444)	712,071
Financing Activities		
Principal payments on capital lease obligations	(5,738)	(8,836)
Principal payments on long-term debt	(1,514,502)	(1,697,385)
Proceeds from Paycheck Protection Program loan	-	486,790
Net Cash from (used for) Financing Activities	(1,520,240)	(1,219,431)
Net Change in Cash	(820,079)	(127,767)
Cash, Beginning of Year	3,540,335	3,668,102
Cash, End of Year	\$ 2,720,256	\$ 3,540,335
Supplemental Disclosure of Cash Flow Information		
Equipment acquired through capital lease obligation	\$ -	\$ 22,987
Cash paid during the year for		
Interest	\$ 107,487	\$ 140,064

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 noninterest-bearing 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, 2022 and 2021.

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, 2022 and 2021, 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, 2022 and 2021.

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/(loss) 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.

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 stipulated 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, 2022 and 2021:

	2021 October 1	2022 September 30
Accounts receivable	\$ 12,750	\$ 25,443
Deferred revenue	41,727	136,693
	2020 October 1	2021 September 30
Accounts receivable	\$ 37,141	\$ 12,750
Deferred revenue	4,467	41,727

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, 2022 and 2021:

	2022	2021
Revenue recognized at a point in time	\$ 6,634,161	\$ 5,928,564
Revenue recognized over time	548,589	439,252
 Total revenue from contracts with customers	 \$ 7,182,750	 \$ 6,367,816

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, 2022 and 2021, totaled \$129,578 and \$114,248, 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, 2022 and 2021, respectively.

Advertising Costs

Advertising costs are expensed as incurred, and totaled \$2,143 and \$13,109 during the years ended September 30, 2022 and 2021, 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 during the year ended September 30, 2021, totaling \$486,790 administered by an SBA approved partner. The loan was uncollateralized and was fully guaranteed by the federal government. The Council initially recorded a note payable and subsequently received forgiveness when the loan obligation was legally released by the SBA. The Council recognized \$491,032, including interest, of loan forgiveness income for the year ended September 30, 2022 related to this PPP loan.

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 revenues 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.

Subsequent Events

Subsequent events have been evaluated through January 17, 2023, the date the financial statements were available to be issued.

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:

	2022	2021
Cash	\$ 2,720,256	\$ 3,540,335
Accounts receivable	25,443	12,750
	\$ 2,745,699	\$ 3,553,085

Board-designated reserve funds totaling \$3,787,151 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, 2022:

	Total	Fair Value Measurements at Report Date Using		
		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)	\$ 124,960	\$ -	\$ -	\$ -
Income, equity and bond funds	3,662,191	3,662,191	-	-
	<u>\$ 3,787,151</u>	<u>\$ 3,662,191</u>	<u>\$ -</u>	<u>\$ -</u>

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:

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

Note 4 - Property and Equipment

Property and equipment consists of the following at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land and Land Improvements	<u>\$ 4,767,891</u>	<u>\$ 4,767,891</u>
Buildings and Improvements		
Administrative buildings	2,126,638	2,126,638
Camp Cloud Rim	3,643,191	3,637,114
Trefoil Ranch	7,274,075	7,274,075
Construction in progress	<u>131,068</u>	<u>-</u>
Total buildings and improvements	<u>13,174,972</u>	<u>13,037,827</u>
Equipment and Livestock		
Office equipment	421,955	381,269
Camp equipment	282,616	261,162
Vehicles	219,913	219,913
Livestock	<u>34,700</u>	<u>32,200</u>
Total equipment and livestock	<u>959,184</u>	<u>894,544</u>
	18,902,047	18,700,262
Less accumulated depreciation and amortization	<u>(8,365,556)</u>	<u>(7,972,582)</u>
	<u><u>\$ 10,536,491</u></u>	<u><u>\$ 10,727,680</u></u>

Note 5 - Long-Term Debt

Long-term debt consists of the following at September 30, 2022 and 2021:

	2022	2021
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. The note was paid in full as of September 30, 2022.	\$ -	\$ 1,514,502
Less current portion	-	(229,420)
Noncurrent portion	\$ -	\$ 1,285,082

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
2023	\$ 8,246	\$ 17,849
2024	7,226	18,206
2025	6,207	12,298
2026	1,552	-
Total minimum lease payments	23,231	\$ 48,353
Less amount representing interest	(5,815)	
Capital lease obligations	\$ 17,416	

Rent expense for the years ended September 30, 2022 and 2021, totaled \$74,526 and \$68,777, respectively.

Leased property under capital leases at September 30, 2022 and 2021, includes the following:

	2022	2021
Office equipment	\$ 32,037	\$ 32,037
Less accumulated amortization	(14,381)	(7,973)
	\$ 17,656	\$ 24,064

Note 7 - Board-Designated Net Assets without Donor Restriction

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

	2022	2021
Operating reserve funds	\$ 2,992,494	\$ 3,657,819
Fixed asset replacement funds	794,657	886,534
	\$ 3,787,151	\$ 4,544,353

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.

Note 8 - Net Assets with Donor Restrictions

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

	2022	2021
Trefoil	\$ 269,747	\$ 100,815
Specific program services	204,492	11,572
Outreach	36,993	95,757
Camperships	28,849	56,903
Cornelia Benton Scholarship	54,965	58,215
Heritage	-	1,067
Maverick	48,069	-
Uniform assistance	4,797	-
Older Girl Destination	53,777	5,000
	\$ 701,689	\$ 329,329

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, 2022 and 2021:

	2022	2021
Trefoil	\$ 141,993	\$ 3,725
Specific program services	59,889	34,727
Outreach	123,420	61,050
Camperships	37,506	22,918
Camp Cloud Rim	7,500	530
Older Girl Destination	1,223	-
Membership assistance	800	-
Uniform assistance	780	-
Big brothers big sisters	2,000	-
Maverick	23,297	-
Heritage	1,067	-
Cornelia Benton Scholarship	4,000	4,000
Capital Campaign Cloud Rim	-	2,000
	<u>\$ 403,475</u>	<u>\$ 128,950</u>

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, 2022 and 2021, were \$123,977 and \$124,152, 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, 2022 and 2021, totaled \$58,595 and \$64,363, 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, 2022 and 2021, 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, 2022, 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:

	2022	2021
Lease income	\$ 66,495	\$ 62,602
Less related expenses	(49,165)	(46,268)
Net lease income	\$ 17,330	\$ 16,334

As of September 30, 2022, the Council has a non-cancelable lease with a lease term of four years through July 2026.

Future minimum lease receipts are as follows:

Years Ending September 30,	
2023	\$ 67,761
2024	36,389
2025	26,238
2026	22,140
	\$ 152,528

Note 12 - Related Party Transactions

During the years ended September 30, 2022 and 2021, the Council purchased inventory and incurred software fees totaling \$115,636 and \$129,928, respectively, from the Girl Scouts of the USA national organization. Of these amounts, \$0 are included in accounts payable at September 30, 2022 and 2021.



Supplementary Information
September 30, 2022

Girl Scouts of Utah

Girl Scouts of Utah
Report on Special Events – Cookie Sales
Year Ended September 30, 2022

<u>Report on Cookie Sales</u>		
Product sales		\$ 6,259,151
Cost of products	1,384,390	
Troop proceeds	861,215	
Service unit proceeds	50,347	
 Total costs		<u>2,295,952</u>
 Net proceeds		<u>\$ 3,963,199</u>