

Financial Statements  
September 30, 2025 and 2024  
**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, 2025 and 2024, 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, 2025 and 2024, 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 for 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 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 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.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Report Cookie Sales 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 audits 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Erik Bailly LLP".

Salt Lake City, Utah  
February 23, 2026

Girl Scouts of Utah  
Statements of Financial Position  
September 30, 2025 and 2024

	2025	2024
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,933,097	\$ 2,482,890
Accounts receivable	19,436	34,523
Inventory	81,916	79,488
Prepaid expenses and other assets	56,286	91,522
<b>Total current assets</b>	2,090,735	2,688,423
Property and equipment, net	10,072,554	10,233,931
Operating lease right-of-use asset	49,455	11,871
Finance lease right-of-use asset	1,147	5,745
Long-term investments	5,617,276	5,120,513
<b>Total assets</b>	\$ 17,831,167	\$ 18,060,483
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 93,432	\$ 44,107
Accrued expenses and other liabilities	298,222	319,503
Funds held for others	37,481	9,363
Deferred revenue	45,798	108,140
Operating lease liability - current portion	17,559	12,111
Financing lease liability - current portion	1,520	5,628
<b>Total current liabilities</b>	494,012	498,852
Operating lease liability, less current portion	32,088	-
Finance lease liability, less current portion	-	1,520
<b>Total liabilities</b>	526,100	500,372
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,337,142	1,763,449
Invested in property and equipment	10,072,554	10,233,931
Board-designated investments	5,617,016	5,120,513
<b>Total</b>	17,026,712	17,117,893
With donor restrictions	278,355	442,218
<b>Total net assets</b>	17,305,067	17,560,111
<b>Total liabilities and net assets</b>	\$ 17,831,167	\$ 18,060,483

Girl Scouts of Utah  
Statements of Activities  
Years Ended September 30, 2025 and 2024

	2025	2024
Net Assets without Donor Restrictions		
Revenue, support, and gains		
Donations	\$ 122,993	\$ 150,475
Program service fees	671,311	719,175
Cookie sales	6,804,876	6,790,713
Less cost of cookie sales	(2,711,879)	(2,710,913)
Net cookie sales	4,092,997	4,079,800
Fall product sales	214,147	199,393
Less cost of fall products	(129,931)	(124,303)
Net fall product sales	84,216	75,090
Gift shop sales	290,447	291,754
Less cost of goods sold	(156,031)	(142,508)
Net gift shop sales	134,416	149,246
Net investment return	533,930	965,346
Lease income (expense), net	(2,932)	3,358
Rental income	13,960	7,630
Other revenue	61,335	82,091
Special events revenue	145,549	123,925
Less cost of direct benefits to donors	(53,813)	(52,176)
Net special events revenue	91,736	71,749
Gain on disposal of property and equipment	25,233	-
Net assets released from restrictions	329,696	281,887
Total revenue, support, and gains without donor restrictions	6,158,891	6,585,847

Girl Scouts of Utah  
 Statements of Activities  
 Years Ended September 30, 2025 and 2024

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Expenses		
Program services expense	\$ 4,995,231	\$ 5,019,246
Supporting services expense		
Management and general	831,003	832,109
Fundraising	<u>423,838</u>	<u>434,559</u>
Total expenses	<u>6,250,072</u>	<u>6,285,914</u>
Change in net assets without donor restrictions	<u>(91,181)</u>	<u>299,933</u>
Net Assets with Donor Restrictions		
Revenue, support, and gains		
Grants and contributions	165,833	245,968
Net assets released from restrictions	<u>(329,696)</u>	<u>(281,887)</u>
Change in net assets with donor restrictions	<u>(163,863)</u>	<u>(35,919)</u>
Change in Net Assets	(255,044)	264,014
Net Assets, Beginning of Year	<u>17,560,111</u>	<u>17,296,097</u>
Net Assets, End of Year	<u><u>\$ 17,305,067</u></u>	<u><u>\$ 17,560,111</u></u>

Girl Scouts of Utah  
Statement of Functional Expenses  
Year Ended September 30, 2025

	Supporting Services					Total Expenses
	Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total	
Salaries	\$ 2,160,175	\$ 372,022	\$ 183,296	\$ -	\$ 555,318	\$ 2,715,493
Benefits	461,360	79,455	39,147	-	118,602	579,962
Total salaries and benefits	2,621,535	451,477	222,443	-	673,920	3,295,455
Professional fees	112,683	19,406	9,561	-	28,967	141,650
Supplies	735,206	126,616	62,384	-	189,000	924,206
Cost of cookie sales	2,711,879	-	-	-	-	2,711,879
Cost of fall product sales	129,931	-	-	-	-	129,931
Cost of goods sold	156,031	-	-	-	-	156,031
Cost of direct benefits to donors	-	-	-	53,813	53,813	53,813
Telephone	54,711	9,422	4,642	-	14,064	68,775
Postage	16,773	2,889	1,423	-	4,312	21,085
Printing and publications	61,302	10,524	5,185	-	15,709	77,011
Occupancy, utilities, and building maintenance	237,540	40,909	20,156	-	61,065	298,605
Equipment rental, repairs and maintenance	139,619	24,045	11,847	-	35,892	175,511
Travel	74,582	12,844	6,328	-	19,172	93,754
Assistance to girls	210,135	36,189	17,830	-	54,019	264,154
Depreciation and amortization	379,042	65,278	32,162	-	97,440	476,482
Interest expense	460	79	39	-	118	578
Insurance	160,133	27,578	13,588	-	41,166	201,299
Bank charges, recruitment, bad debt, and other	191,510	32,982	16,250	-	49,232	240,742
	<u>7,993,072</u>	<u>860,238</u>	<u>423,838</u>	<u>53,813</u>	<u>1,337,889</u>	<u>9,330,961</u>
Less expenses included with revenues on the statement of activities						
Cost of cookie sales	(2,711,879)	-	-	-	-	(2,711,879)
Cost of fall product sales	(129,931)	-	-	-	-	(129,931)
Cost of goods sold	(156,031)	-	-	-	-	(156,031)
Cost of direct benefits to donors	-	-	-	(53,813)	(53,813)	(53,813)
Tenant allocated costs	-	(29,235)	-	-	(29,235)	(29,235)
Total expenses included in the expense section on the statement of activities	<u>\$ 4,995,231</u>	<u>\$ 831,003</u>	<u>\$ 423,838</u>	<u>\$ -</u>	<u>\$ 1,254,841</u>	<u>\$ 6,250,072</u>

See Notes to Financial Statements

Girl Scouts of Utah  
Statement of Functional Expenses  
Year Ended September 30, 2024

	Supporting Services					Total Expenses
	Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total	
Salaries	\$ 2,167,748	\$ 376,453	\$ 187,680	\$ -	\$ 564,133	\$ 2,731,881
Benefits	460,799	80,023	39,895	-	119,918	580,717
Total salaries and benefits	2,628,547	456,476	227,575	-	684,051	3,312,598
Professional fees	169,023	29,352	14,634	-	43,986	213,009
Supplies	706,079	122,618	61,131	-	183,749	889,828
Cost of cookie sales	2,710,913	-	-	-	-	2,710,913
Cost of fall product sales	124,303	-	-	-	-	124,303
Cost of goods sold	142,508	-	-	-	-	142,508
Cost of direct benefits to donors	-	-	-	52,176	52,176	52,176
Telephone	54,286	9,427	4,700	-	14,127	68,413
Postage	10,742	1,866	930	-	2,796	13,538
Printing and publications	49,610	8,615	4,295	-	12,910	62,520
Occupancy, utilities, and building maintenance	245,399	42,617	21,246	-	63,863	309,262
Equipment rental, repairs and maintenance	133,146	23,122	11,528	-	34,650	167,796
Travel	90,470	15,711	7,833	-	23,544	114,014
Assistance to girls	250,775	43,550	21,712	-	65,262	316,037
Depreciation and amortization	353,909	61,459	30,640	-	92,099	446,008
Interest expense	993	172	86	-	258	1,251
Insurance	141,531	24,578	12,254	-	36,832	178,363
Bank charges, recruitment, bad debt, and other	184,736	32,081	15,995	-	48,076	232,812
	7,996,970	871,644	434,559	52,176	1,358,379	9,355,349
Less expenses included with revenues on the statement of activities						
Cost of cookie sales	(2,710,913)	-	-	-	-	(2,710,913)
Cost of fall product sales	(124,303)	-	-	-	-	(124,303)
Cost of goods sold	(142,508)	-	-	-	-	(142,508)
Cost of direct benefits to donors	-	-	-	(52,176)	(52,176)	(52,176)
Tenant allocated costs	-	(39,535)	-	-	(39,535)	(39,535)
Total expenses included in the expense section on the statement of activities	\$ 5,019,246	\$ 832,109	\$ 434,559	\$ -	\$ 1,266,668	\$ 6,285,914

See Notes to Financial Statements

Girl Scouts of Utah  
Statements of Cash Flows  
Years Ended September 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ (255,044)	\$ 264,014
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation and amortization	476,482	446,007
Gain on disposal of property and equipment	(25,233)	-
Net realized and unrealized gain on investments	(409,362)	(794,504)
Changes in operating assets and liabilities		
Accounts receivable	15,087	(4,316)
Inventory	(2,428)	(10,237)
Prepaid expenses and other assets	35,236	(22,775)
Accounts payable	49,325	(35,057)
Accrued expenses and other liabilities	(21,281)	59,431
Operating lease assets and liabilities	(48)	(117)
Funds held for others	28,118	(5,136)
Deferred revenue	(62,342)	2,667
Net Cash used for Operating Activities	(171,490)	(100,023)
Investing Activities		
Purchases of investments	(5,150,194)	(106,676)
Proceeds from sales of investments	5,062,793	-
Purchases of property and equipment	(285,274)	(194,639)
Net Cash used for Investing Activities	(372,675)	(301,315)
Financing Activities		
Principal payments on finance leases	(5,628)	(5,976)
Net Cash used for Financing Activities	(5,628)	(5,976)
Net Change in Cash	(549,793)	(407,314)
Cash, Beginning of Year	2,482,890	2,890,204
Cash, End of Year	\$ 1,933,097	\$ 2,482,890
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for		
Interest	\$ 578	\$ 1,251

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

The jurisdiction of the Girl Scouts of Utah (the Council or GSU) 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 financial institutions.

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.

### **Accounts Receivable and Allowance for Credit Losses**

Accounts receivable consist primarily of noninterest-bearing amounts due from Girl Scouts related to cookie sales. GSU believes that the historical information it has compiled is a reasonable base on which to determine expected credit loss for accounts receivable held at September 30, 2025 and 2024, because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit loss percentages. Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, there was no allowance for credit losses recorded at September 30, 2025 and 2024.

### **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 method. The Council has evaluated and determined there to be no allowance for inventory obsolescence necessary at September 30, 2025 and 2024.

### **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 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, 2025 and 2024.

### **Right-of-Use Leased Assets and Liabilities**

Right-to-use leased assets and the related liabilities are recognized at the lease commencement date and represent the Council's right to use an underlying asset and lease obligations for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

### **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 and direct internal 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. 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, 2025 and 2024:

	2024	2025
	October 1	September 30
Accounts receivable	\$ 34,523	\$ 19,436
Deferred revenue	108,140	45,798

  

	2023	2024
	October 1	September 30
Accounts receivable	\$ 30,207	\$ 34,523
Deferred revenue	105,473	108,140

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, 2025 and 2024:

	2025	2024
Revenue recognized at a point in time	\$ 7,309,470	\$ 7,281,860
Revenue recognized over time	671,311	719,175
Total revenue from contracts with customers	\$ 7,980,781	\$ 8,001,035

### 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, 2025 and 2024, totaled \$118,198 and \$130,130, 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, 2025 and 2024, respectively.

### **Advertising Costs**

Advertising costs are expensed as incurred and totaled \$24,376 and \$13,427 during the years ended September 30, 2025 and 2024, 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 that are allocated include occupancy, depreciation and amortization, salaries, benefits, professional fees, office expenses, equipment rental, travel, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

### **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. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of September 30, 2025 and 2024, the Council had approximately \$1,597,000 and \$2,289,000, respectively, in excess of FDIC-insured limits. To date, no losses have been experienced in any of these accounts.

Credit risk associated with accounts receivable and promises to give are 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 the Council 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, the Council and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Council.

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.

### **Lessor**

The Council classifies its leases at inception as operating, direct financing, or sales-type leases. The Council has evaluated its building leases and has determined that the timing and pattern of transfer for the lease and non-lease components is the same, and that the lease component, if accounted for separately, would be classified as an operating lease. Accordingly, the Council has made the accounting policy election available to lessors to not separate non-lease components from associated lease components. The combined component will be accounted for as a single component and revenue will be recognized on a straight-line basis over the term of the lease as the lease is the predominant element of the contract.

The Council has also made the accounting policy election available to lessors to exclude from the consideration in the contract and from variable payments not included in the consideration in the contract all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific lease revenue-producing transaction and collected by the lessor from a lessee, such as sales, use, and value added taxes. See Note 10 for further disclosure.

**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:

	2025	2024
Cash	\$ 1,654,742	\$ 2,040,672
Accounts receivable	19,436	34,523
	\$ 1,674,178	\$ 2,075,195

Board-designated reserve funds totaling \$5,617,016 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, considering 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 in the following, at September 30, 2025:

	<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 equivalents (at cost)	\$ 199,677	\$ -	\$ -	\$ -
Income, equity and bond funds	<u>5,417,599</u>	<u>5,417,599</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,617,276</u>	<u>\$ 5,417,599</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 in the following, at September 30, 2024:

	<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)	\$ 152,104	\$ -	\$ -	\$ -
Income, equity and bond funds	<u>4,968,409</u>	<u>4,968,409</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,120,513</u>	<u>\$ 4,968,409</u>	<u>\$ -</u>	<u>\$ -</u>

The purchases of and proceeds from sales of investments during the year ended September 30, 2025, were primarily due to a change in investment brokerage firms and advisors.

**Note 4 - Property and Equipment**

Property and equipment consist of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land and Land Improvements	\$ 4,767,891	\$ 4,767,891
Buildings and Improvements		
Administrative buildings	2,140,256	2,136,513
Camp Cloud Rim	3,658,191	3,658,191
Trefoil Ranch	7,410,553	7,221,189
Construction in progress	11,813	19,704
Total buildings and improvements	<u>13,220,813</u>	<u>13,035,597</u>
Equipment and Livestock		
Office equipment	397,917	402,932
Camp equipment	691,369	609,209
Vehicles	307,839	343,740
Livestock	74,600	77,400
Total equipment and livestock	<u>1,471,725</u>	<u>1,433,281</u>
	19,460,429	19,236,769
Less accumulated depreciation and amortization	<u>(9,387,875)</u>	<u>(9,002,838)</u>
	<u>\$ 10,072,554</u>	<u>\$ 10,233,931</u>

Depreciation expense totaled \$471,884 and \$440,505 for the years ended September 30, 2025 and 2024, respectively.

**Note 5 - Leases**

The Council leases office space and equipment under various operating leases, and equipment under various capital leases expiring at various dates through May 2028. The Council's operating leases provide for increases in future minimum annual rental payments.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Council has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate where the implicit rate is not readily determinable.

The Organization elected the practical expedient to not separate lease and non-lease components for real estate and office equipment leases.

Total lease costs for the year ended September 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 18,584	\$ 18,088
Finance lease cost		
Interest expense	578	1,251
Amortization of right-of-use assets	4,598	5,503

The following table summarizes the supplemental cash flow information for the year ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 18,631	\$ 18,206
Operating cash flows from finance leases	578	6,337
Financing cash flows from finance leases	5,628	5,976
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	\$ 55,287	\$ -

The following summarizes the weighted-average remaining lease term and weighted-average discount rate at September 30, 2025:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term		
Operating leases	2.67 Years	0.67 Years
Finance leases	0.25 Years	1.25 Years
Weighted-average discount rate		
Operating leases	3.91%	4.12%
Finance leases	12.50%	12.50%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of September 30, 2025:

<u>September 30, 2025</u>	<u>Operating</u>	<u>Finance</u>
2026	\$ 19,190	\$ 1,552
2027	19,766	-
2028	13,438	-
Total lease payments	<u>52,394</u>	<u>1,552</u>
Less interest	<u>(2,747)</u>	<u>(32)</u>
Present value of lease liabilities	<u>\$ 49,647</u>	<u>\$ 1,520</u>

**Note 6 - Board-Designated Net Assets without Donor Restriction**

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

	2025	2024
Operating reserve funds	\$ 4,518,982	\$ 4,098,803
Fixed asset replacement funds	1,098,034	1,021,710
	\$ 5,617,016	\$ 5,120,513

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 7 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as of September 30, 2025 and 2024:

	2025	2024
Trefoil	\$ 86,515	\$ 145,147
Specific program services	95,470	107,021
Camperships	-	12,085
Cornelia Benton Scholarship	38,215	43,715
D Nielson Scholarship	300	-
Call Foundation	38,200	114,845
Older Girl Destination	19,655	19,405
	\$ 278,355	\$ 442,218

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, 2025 and 2024:

	2025	2024
Trefoil	\$ 59,786	\$ 20,683
Cloud Rim	500	-
Outreach	66,673	45,664
Specific program services	40,962	92,879
Camperships	32,057	2,956
Cornelia Benton Scholarship	6,000	6,000
D Nielson Scholarship	200	-
Call Foundation	86,645	113,272
Membership assistance	6,185	45
Uniform assistance	-	388
STEM	10,688	-
Mental Health	20,000	-
	<u>\$ 329,696</u>	<u>\$ 281,887</u>

#### Note 8 - Employee Benefits

The Council 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 2025 and 2024 were \$26 million and \$26.2 million, respectively. Aggregate contributions to be made in fiscal 2026 are expected to be \$26 million. Contributions made by the Council for the years ended September 30, 2025 and 2024, were \$115,189 and \$114,916, 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 eligible compensation. Council contributions vests immediately. The Council's contributions to the plan during the years ended September 30, 2025 and 2024, totaled \$71,703 and \$68,774, respectively.

**Note 9 - Commitments and Contingencies**

As described in Note 8, the Council participates in a defined benefit pension plan sponsored by Girl Scouts of the USA which, at January 1, 2025 and 2024, 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 10 - 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. Initial lease terms generally range from four to five years with fixed lease payments ranging from approximately \$2,000 per month to \$3,500 per month.

Property subject to operating leases at September 30, 2025, includes:

Office building	\$ 1,597,485	
Less accumulated depreciation	<u>(1,342,277)</u>	
	<u>\$ 255,208</u>	

Depreciation expense relating to leased property subject to operating leases was \$59,763 for 2025.

It is the policy of the Council to net all tenant related revenue and expenses which consist of the following for the years ended September 30, 2025 and 2024:

	2025	2024
Lease income	\$ 26,303	\$ 42,893
Less related expenses	<u>(29,235)</u>	<u>(39,535)</u>
Net lease income	<u>\$ (2,932)</u>	<u>\$ 3,358</u>

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease payments to be received as of September 30, 2025:

Year Ending September 30,	
2026	<u>\$ 22,143</u>

The Council also rents out its campgrounds for various events under short-term leases. During 2025 and 2024, the Council received rental income of \$13,960 and \$7,630, respectively, under short term lease agreements.

**Note 11 - Related Party Transactions**

During the years ended September 30, 2025 and 2024, the Council purchased inventory and incurred software fees totaling \$152,809 and \$120,133, respectively, from the Girl Scouts of the USA national organization.

**Note 12 - Subsequent Events**

On October 23, 2025, the National Board of the Girl Scouts of the USA approved the termination of the NGSCR. The termination process is expected to be completed in 2027 when all liabilities under the NGSCR will be settled through the payment of lump sums or the purchase of annuity contracts. The Council's monthly contributions are expected to continue until the settlement of all NGSCR liabilities.

The Council has evaluated subsequent events through February 23, 2026, the date the financial statements were available to be issued.

Supplementary Information  
September 30, 2025

**Girl Scouts of Utah**

Girl Scouts of Utah  
Report on Cookie Sales  
Year Ended September 30, 2025

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<u>Report on Cookie Sales</u>		
Product sales		\$ 6,804,876
Cost of products	1,707,655	
Troop proceeds	945,974	
Service unit proceeds	<u>58,250</u>	
Total costs		<u>2,711,879</u>
Net proceeds		<u>\$ 4,092,997</u>