Financial Statements
September 30, 2023 and 2022

Girl Scouts of Utah

EideBailly

CPAs & BUSINESS ADVISORS

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, 2023 and 2022, 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 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 on Special Events - 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.

Eide Bailly LLP

Salt Lake City, Utah
January 23, 2024

	2023	2022
Assets		
Current assets		
Cash	$ 2,890,204	$ 2,720,256
Accounts receivable	30,207	25,443
Inventory	69,251	69,666
Prepaid expenses and other assets	68,747	48,901
Total current assets	3,058,409	2,864,266
Property and equipment, net	10,479,797	10,536,491
Operating lease right of use asset	29,069	-
Finance lease right of use asset	11,248	-
Long-term investments	4,219,333	3,787,151
Total assets	$ 17,797,856	$ 17,187,908
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 79,164	$ 49,631
Accrued expenses and other liabilities	260,072	292,069
Funds held for others	14,499	4,281
Deferred revenue	105,473	136,693
Capital lease obligation - current portion	-	6,329
Operating lease liability - current portion	16,961	-
Financing lease liability - current portion	3,998	-
Total current liabilities	480,167	489,003
Capital lease obligation, less current portion	-	11,087
Operating lease liability, less current portion	12,466	-
Finance lease liability, less current portion	9,126	-
Total liabilities	501,759	500,090
Net Assets		
Without donor restrictions		
Undesignated	2,118,830	1,679,903
Invested in property and equipment	10,479,797	10,519,075
Board-designated investments	4,219,333	3,787,151
	16,817,960	15,986,129
With donor restrictions	478,137	701,689
Total net assets	17,296,097	16,687,818
Total liabilities and net assets	$ 17,797,856	$ 17,187,908

	2023	2022
Net Assets without Donor Restrictions		
Revenue, support, and gains		
Donations	$ 137,997	$ 168,116
Program service fees	622,557	548,589
Cookie sales	6,699,062	6,259,151
Less cost of cookie sales	(2,429,010)	(2,295,952)
Net cookie sales	4,270,052	3,963,199
Fall product sales	186,934	116,122
Less cost of fall products	(115,563)	(39,943)
Net fall product sales	71,371	76,179
Gift shop sales	310,812	258,888
Less cost of goods sold	(153,428)	(129,569)
Net gift shop sales	157,384	129,319
Net investment return (loss)	443,184	(813,579)
Lease income, net	9,973	17,330
Rental income	68,460	2,050
Paycheck Protection Program loan forgiveness	-	491,032
Other revenue	281,192	37,022
Special events revenue	164,364	57,110
Less cost of direct benefits to donors	(49,376)	(14,316)
Net special events revenue	114,988	42,794
Gain (loss) on disposal of equipment	530	(4,125)
Net assets released from restrictions	447,573	403,475
Total revenue, support, and gains without donor restrictions	6,625,261	5,061,401

	2023	2022
Expenses		
Program services expense	4,690,027	4,214,643
Supporting services expense		
Management and general	712,729	639,063
Fundraising	390,674	374,848
Total expenses	5,793,430	5,228,554
Change in net assets without donor restrictions	831,831	(167,153)
Net Assets with Donor Restrictions		
Revenue, support, and gains		
Grants and contributions	224,021	775,835
Net assets released from restrictions	(447,573)	(403,475)
Change in net assets with donor restrictions	(223,552)	372,360
Change in Net Assets	608,279	205,207
Net Assets, Beginning of Year	16,687,818	16,482,611
Net Assets, End of Year	$ 17,296,097	$ 16,687,818

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Cost of Direct Benefits to Donors	Supporting Services: Total	Total Expenses
Salaries	$ 1,947,158	$ 339,278	$ 172,097	$ -	$ 511,375	$ 2,458,533
Benefits	416,807	72,625	36,839	-	109,464	526,271
Total salaries and benefits	2,363,965	411,903	208,936	-	620,839	2,984,804
Professional fees	153,113	26,679	13,533	-	40,212	193,325
Supplies	680,074	118,498	60,108	-	178,606	858,680
Cost of cookie sales	2,429,010	-	-	-	-	2,429,010
Cost of fall product sales	115,563	-	-	-	-	115,563
Cost of goods sold	153,428	-	-	-	-	153,428
Cost of direct benefits to donors	-	-	-	49,376	49,376	49,376
Telephone	55,363	9,647	4,893	-	14,540	69,903
Postage	6,927	1,207	612	-	1,819	8,746
Printing and publications	41,007	7,145	3,624	-	10,769	51,776
Occupancy, utilities, and building maintenance	245,213	42,726	21,673	-	64,399	309,612
Equipment rental, repairs and maintenance	119,413	20,807	10,554	-	31,361	150,774
Travel	103,377	18,013	9,137	-	27,150	130,527
Assistance to girls	269,829	-	-	-	-	269,829
Depreciation and amortization	325,775	56,764	28,794	-	85,558	411,333
Interest expense	3,581	624	316	-	940	4,521
Insurance	127,856	22,278	11,300	-	33,578	161,434
Bank charges, recruitment, bad debt, and other	194,534	33,896	17,194	-	51,090	245,624
	7,388,028	770,187	390,674	49,376	1,210,237	8,598,265
Less expenses included with revenues on the statement of activities						
Cost of cookie sales	(2,429,010)	-	-	-	-	(2,429,010)
Cost of fall product sales	(115,563)	-	-	-	-	(115,563)
Cost of goods sold	(153,428)	-	-	-	-	(153,428)
Cost of direct benefits to donors	-	-	-	(49,376)	(49,376)	(49,376)
Tenant allocated costs	-	(57,458)	-	-	(57,458)	(57,458)
Total expenses included in the expense section on the statement of activities	$ 4,690,027	$ 712,729	$ 390,674	$ -	$ 1,103,403	$ 5,793,430

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Cost of Direct Benefits to Donors	Supporting Services: Total	Total Expenses
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	239,451	-	-	-	-	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
	6,680,106	688,228	374,848	14,316	1,077,392	7,757,498
Less expenses included with revenues 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	$ 4,214,643	$ 639,063	$ 374,848	$ -	$ 1,013,911	$ 5,228,554

See Notes to Financial Statements

	2023	2022
Operating Activities		
Change in net assets	$ 608,279	$ 205,207
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	411,333	393,348
Loss (gain) on the disposal of property and equipment	(530)	4,125
Paycheck Protection Program loan forgiveness	-	(491,032)
Net realized and unrealized (gain) loss on investments	(342,718)	864,362
Changes in operating assets and liabilities		
Accounts receivable	(4,764)	(12,693)
Inventory	415	3,063
Prepaid expenses and other assets	(19,846)	(2,176)
Accounts payable	29,533	(29,102)
Accrued expenses and other liabilities	(31,997)	17,676
Operating lease assets and liabilities	358	-
Funds held for others	10,218	(34,139)
Deferred revenue	(31,220)	94,966
Net Cash from Operating Activities	629,061	1,013,605
Investing Activities		
Purchases of investments	(90,674)	(608,689)
Proceeds from sales of investments	1,210	501,529
Purchases of property and equipment	(365,357)	(206,284)
Net Cash used for Investing Activities	(454,821)	(313,444)
Financing Activities		
Principal payments on capital lease obligations	-	(5,738)
Principal payments on finance leases	(4,292)	-
Principal payments on long-term debt	-	(1,514,502)
Net Cash used for Financing Activities	(4,292)	(1,520,240)
Net Change in Cash	169,948	(820,079)
Cash, Beginning of Year	2,720,256	3,540,335
Cash, End of Year	$ 2,890,204	$ 2,720,256
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for		
Interest	$ 4,521	$ 107,487

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, 2023 and 2022.

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, 2023 and 2022, 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 method. The Council has evaluated and determined there to be no allowance for inventory obsolescence necessary at September 30, 2023 and 2022.

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, 2023 and 2022.

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 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, 2023 and 2022:

	2022 October 1	2023 September 30
Accounts receivable	$ 25,443	$ 30,207
Deferred revenue	136,693	105,473

	2021 October 1	2022 September 30
Accounts receivable	$ 12,750	$ 25,443
Deferred revenue	41,727	136,693

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, 2023 and 2022:

	2023	2022
Revenue recognized at a point in time	$ 7,196,808	$ 6,634,161
Revenue recognized over time	622,557	548,589
Total revenue from contracts with customers	$ 7,819,365	$ 7,182,750

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, 2023 and 2022, totaled $107,351 and $129,578, 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, 2023 and 2022, respectively.

Advertising Costs

Advertising costs are expensed as incurred, and totaled $16,605 and $2,143 during the years ended September 30, 2023 and 2022, 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. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per FDIC-insured bank. At September 30, 2023 and 2022, the Council had $2,696,098 and $2,519,928, 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 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.

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 842

Effective October 1, 2022, the Council adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Council elected to apply the guidance as of October 1, 2022, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, Topic 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Council has elected the package of practical expedients permitted in Topic 842. Accordingly, the Council accounted for its existing leases as either finance or operating leases under the new guidance, without reassessing (a) whether the contract contains a lease under Topic 842, (b) whether classification of the operating lease would be different in accordance with Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Council recognized on October 1, 2022, an operating lease liability of $45,696, and an operating right-of-use asset of $45,577. There was no cumulative effect on retained earnings. The adoption of the new standard did not materially impact the Council's Statements of Activities or Statements of Cash Flows. See Note 5 for further disclosure of the Council's lease contracts.

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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Council has evaluated subsequent events through January 23, 2024, 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:

	2023	2022
Cash	$ 2,412,067	$ 2,018,567
Accounts receivable	30,207	25,443
	$ 2,442,274	$ 2,044,010

Board-designated reserve funds totaling $4,219,333 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, 2023:

		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)	$ 130,079	$ -	$ -	$ -
Income, equity and bond funds	4,089,254	4,089,254	-	-
	$ 4,219,333	$ 4,089,254	$ -	$ -

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, 2022:

		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)	$ 124,960	$ -	$ -	$ -
Income, equity and bond funds	3,662,191	3,662,191	-	-
	$ 3,787,151	$ 3,662,191	$ -	$ -

Note 4 - Property and Equipment

Property and equipment consist of the following at September 30, 2023 and 2022:

	2023	2022
Land and Land Improvements	$ 4,767,891	$ 4,767,891
Buildings and Improvements		
Administrative buildings	2,136,513	2,126,638
Camp Cloud Rim	3,658,191	3,643,191
Trefoil Ranch	7,212,519	7,274,075
Construction in progress	19,704	131,068
Total buildings and improvements	13,026,927	13,174,972
Equipment and Livestock		
Office equipment	485,307	421,955
Camp equipment	579,863	282,616
Vehicles	248,234	219,913
Livestock	50,400	34,700
Total equipment and livestock	1,363,804	959,184
	19,158,622	18,902,047
Less accumulated depreciation and amortization	(8,678,825)	(8,365,556)
	$ 10,479,797	$ 10,536,491

Depreciation expense totaled $404,925 and $393,348 for the years ended September 30, 2023 and 2022, 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 2026. 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 a real estate and office equipment leases.

Total lease costs for the year ended September 30, 2023 were as follows:

Operating lease cost	$	18,207
Finance lease cost		
Interest expense		1,917
Amortization of right-of-use assets		6,408

Total lease expense under noncancelable leases was $74,526 for the year September 30, 2022.

The following table summarizes the supplemental cash flow information for the year ended September 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	17,849
Operating cash flows from finance leases		1,917
Financing cash flows from finance leases		4,292

The following summarizes the weighted-average remaining lease term and weight-average discount rate at September 30, 2023:

Weighted-average remaining lease term	
Operating leases	1.67 Years
Finance leases	2.12 Years
Weighted-average discount rate	
Operating leases	4.12%
Finance leases	11.91%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of September 30, 2023:

	September 30, 2023	
	Operating	Finance
2024	$ 18,206	$ 7,226
2025	12,298	6,207
2026	-	1,552
Total lease payments	30,504	14,985
Less interest	(1,077)	(1,861)
Present value of lease liabilities	$ 29,427	$ 13,124

Future minimum payments determined under the guidance in Topic 840 are listed below as of September 30, 2022:

	September 30, 2022	
	Operating	Capital
2023	$ 17,849	$ 8,246
2024	18,206	7,226
2025	12,298	6,207
2026	-	1,552
Total minimum lease payments	$ 48,353	$ 23,231
Less amount representing interest		(5,815)
Capital lease obligations		$ 17,416

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

Office equipment	$ 32,037
Less accumulated amortization	(14,381)
	$ 17,656

Note 6 - Board-Designated Net Assets without Donor Restriction

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

	2023	2022
Operating reserve funds	$ 3,357,477	$ 2,992,494
Fixed asset replacement funds	861,856	794,657
	$ 4,219,333	$ 3,787,151

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, 2023 and 2022:

	2023	2022
Trefoil	$ 164,892	$ 269,747
Specific program services	141,299	204,492
Outreach	-	36,993
Camperships	-	28,849
Cornelia Benton Scholarship	48,965	54,965
Maverick	103,188	48,069
Uniform assistance	388	4,797
Older Girl Destination	19,405	53,777
	$ 478,137	$ 701,689

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, 2023 and 2022:

	2023	2022
Trefoil	$ 113,267	$ 141,993
Specific program services	69,905	59,889
Outreach	116,330	123,420
Camperships	44,491	37,506
Camp Cloud Rim	200	7,500
Older Girl Destination	34,372	1,223
Membership assistance	18,000	800
Uniform assistance	4,432	780
Big brothers big sisters	-	2,000
Maverick	40,576	23,297
Heritage	-	1,067
Cornelia Benton Scholarship	6,000	4,000
	$ 447,573	$ 403,475

Note 8 - Employee Benefits

The Council participates in the National Girl Scout Council Retirement Plan (NGSCRP), 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 NGSCRP the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCRP has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from $30 million to $26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2022 and 2023 were $32.2 million and $27.5 million, respectively. Aggregate contributions to be made in fiscal 2024 are expected to be $26 million. Contributions made by the Council for the years ended September 30, 2023 and 2022, were $121,226 and $123,977, 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, 2023 and 2022, totaled $58,319 and $58,595, 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, 2023 and 2023, 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. At September 30, 2023, 100% of the building space available for lease was occupied by tenants. 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.

The Council also rents out its campgrounds for various events under short term leases. During 2023, the Council received rental income of $68,460 under short term lease agreements.

Leased property subject to operating leases at September 30, 2023, includes:

Office building	$ 1,597,485
Less accumulated depreciation	(1,222,751)
	$ 374,734

Depreciation expense relating to leased property subject to operating leases was $58,117 for 2023.

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, 2023 and 2022:

	2023	2022
Lease income	$ 67,431	$ 66,495
Less related expenses	(57,458)	(49,165)
Net lease income	$ 9,973	$ 17,330

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease payments to be received as of September 30, 2023:

Years Ending September 30,	
2024	$ 36,396
2025	26,237
2026	22,144
	$ 84,777

Note 11 - Related Party Transactions

During the years ended September 30, 2023 and 2022, the Council purchased inventory and incurred software fees totaling $135,190 and $115,636, respectively, from the Girl Scouts of the USA national organization.

Supplementary Information
September 30, 2023

Girl Scouts of Utah

Report on Cookie Sales

Product sales		$ 6,699,062
Cost of products	1,476,227	
Troop proceeds	901,921	
Service unit proceeds	50,862	
Total costs		2,429,010
Net proceeds		$ 4,270,052