GREAT SALT LAKE COUNCIL, INC.,
BOY SCOUTS OF AMERICA AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2011
With Summarized
Comparative Financial Information for the Year
Ended December 31, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees

GREAT SALT LAKE COUNCIL, INC., BOYS SCOUTS OF AMERICA AND SUBSIDIARY

We have audited the accompanying consolidated statement of financial position of Great Salt Lake Council, Inc., Boy Scouts of America (a Utah not-for-profit corporation) and Subsidiary (the "Council") as of December 31, 2011 and the related consolidated statements of changes in net assets, cash flows, and functional expenses for the year then ended. These consolidated financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The summarized comparative financial information as of and for the year ended December 31, 2010 has been derived from the Council's 2010 consolidated financial statements, and in our report dated May 12, 2011, we expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Council as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Mayer Hoffman McCann P.C.

Salt Lake City, Utah
May 31, 2012

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GREAT SALT LAKE COUNCIL, INC.,
BOY SCOUTS OF AMERICA AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2011 with Summarized Comparative Financial Information for 2010

	General Operating Fund	Capital Fund	Endowment Fund	2011 Total	2010 Total
A S S E T S					
CURRENT ASSETS					
Cash and cash equivalents	$ 2,170,326	$ 41,755	$ 1,000	$ 2,213,081	$ 2,050,242
Accounts receivable	28,096	3	-	28,099	35,554
Pledges receivable, net	120,624	93,304	-	213,928	328,701
Inventories	102,328	-	-	102,328	68,946
Prepaid expenses	88,136	1,201	-	89,337	106,350
Note receivable from subsidiary	25,000	(25,000)	-	-	-
TOTAL CURRENT ASSETS	2,534,510	111,263	1,000	2,646,773	2,589,793
NON-CURRENT ASSETS					
Pledges receivable, net	17,334	-	-	17,334	437,914
Cash restricted to investment in land, buildings and equipment	-	553,369	-	553,369	289,857
Land, buildings, and equipment, net	-	6,998,813	-	6,998,813	6,965,977
Note receivable from subsidiary	199,675	(199,675)	-	-	-
Long-term investments	-	100,000	3,605,348	3,705,348	3,795,829
Investment in subsidiary	49,762	(49,762)	-	-	-
Property and equipment held for sale	128,923	-	-	128,923	74,194
Other assets	1,500	55,167	-	56,667	59,559
TOTAL NON-CURRENT ASSETS	397,194	7,457,912	3,605,348	11,460,454	11,623,330
TOTAL ASSETS	$ 2,931,704	$ 7,569,175	$ 3,606,348	$ 14,107,227	$ 14,213,123
L I A B I L I T I E S A N D N E T A S S E T S					
CURRENT LIABILITIES					
Cash overdraft	$ -	$ 380,845	$ -	$ 380,845	$ 495,929
Current portion of long-term debt	-	113,771	-	113,771	104,276
Accounts payable	99,420	3,276	-	102,696	104,780
Accrued expenses	58,252	5,234	-	63,486	29,033
Custodial accounts	180,225	-	-	180,225	278,738
Deferred income	315,636	-	-	315,636	179,329
Other current liabilities	2,734	5,000	-	7,734	1,393
TOTAL CURRENT LIABILITIES	656,267	508,126	-	1,164,393	1,193,478
LONG-TERM DEBT, net of current portion	-	2,074,836	-	2,074,836	2,241,397
TOTAL LIABILITIES	656,267	2,582,962	-	3,239,229	3,434,875
NET ASSETS					
Unrestricted	19,196	3,363,769	2,996,435	6,379,400	7,025,169
Temporarily restricted	2,256,241	1,506,444	42,877	3,805,562	3,114,808
Permanently restricted	-	116,000	567,036	683,036	638,271
	2,275,437	4,986,213	3,606,348	10,867,998	10,778,248
TOTAL LIABILITIES AND NET ASSETS	$ 2,931,704	$ 7,569,175	$ 3,606,348	$ 14,107,227	$ 14,213,123

See accompanying notes to consolidated financial statements.

GREAT SALT LAKE COUNCIL, INC.,
BOY SCOUTS OF AMERICA AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 2011 with Summarized Comparative Financial Information for 2010

	General Operating Fund	Capital Fund	Endowment Fund	2011 Total	2010 Total
CHANGES IN UNRESTRICTED NET ASSETS					
SUPPORT AND REVENUES					
Direct support					
Friends of scouting	$ 192,428	$ -	$ -	$ 192,428	$ 162,387
Less provision for uncollectible amounts	-	-	-	-	-
Net friends of scouting	192,428	-	-	192,428	162,387
In-kind contributions	142,220	18,000	-	160,220	672,864
Special events, gross	230,934	-	-	230,934	190,988
Less cost of direct benefits	(91,849)	-	-	(91,849)	(80,443)
Special events, net	139,085	-	-	139,085	110,545
Other	339,751	25,220	1,575	366,546	344,283
TOTAL DIRECT SUPPORT	813,484	43,220	1,575	858,279	1,290,079
Indirect support					
United Way	71,941	-	-	71,941	150,239
TOTAL INDIRECT SUPPORT	71,941	-	-	71,941	150,239
REVENUES					
Sale of supplies	65,222	-	-	65,222	77,191
Less cost of goods sold	(45,008)	-	-	(45,008)	(53,338)
NET SALE OF SUPPLIES	20,214	-	-	20,214	23,853
Product sales, gross	137,818	-	-	137,818	146,171
Less cost of goods sold	(50,925)	-	-	(50,925)	(56,361)
Less commissions paid to units	(48,243)	-	-	(48,243)	(50,148)
SALE OF PRODUCT, NET	38,650	-	-	38,650	39,662
Investment income (loss)	141,827	3,389	(113,368)	31,848	388,298
Camping revenue	2,770,435	-	-	2,770,435	2,723,180
Activity revenue	728,549	-	-	728,549	2,558,114
Other revenue	344,432	-	-	344,432	367,246
Gain (loss) on sale of assets	(10,761)	3,100	-	(7,661)	-
TOTAL REVENUES	4,033,346	6,489	(113,368)	3,926,467	6,100,353
NET ASSETS RELEASED FROM RESTRICTIONS	2,341,361	-	11,263	2,352,624	4,436,508
TOTAL SUPPORT AND REVENUES	7,260,132	49,709	(100,530)	7,209,311	11,977,179
EXPENSES					
Program services	6,013,808	347,502	1,557	6,362,867	8,071,703
Supporting services					
Management and general	198,698	15,167	94	213,959	215,686
Fundraising	684,369	64,484	162	749,015	556,502
TOTAL SUPPORTING SERVICES	883,067	79,651	256	962,974	772,188
Unallocated payments to national organization	51,394	-	-	51,394	51,394
TOTAL EXPENSES	6,948,269	427,153	1,813	7,377,235	8,895,285
CHANGE IN UNRESTRICTED NET ASSETS	311,863	(377,444)	(102,343)	(167,924)	3,081,894

See accompanying notes to consolidated financial statements.

GREAT SALT LAKE COUNCIL, INC.,
BOY SCOUTS OF AMERICA AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)

Year Ended December 31, 2011 with Summarized Comparative Financial Information for 2010

	General Operating Fund	Capital Fund	Endowment Fund	2011 Total	2010 Total
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS					
Direct support					
Friends of scouting	2,141,991	-	-	2,141,991	2,125,942
Less provision for uncollectible amounts	-	-	-	-	-
Net friends of scouting	2,141,991	-	-	2,141,991	2,125,942
Capital campaign	-	308,376	-	308,376	243,128
Foundations	-	-	-	-	100,000
Other	23,427	-	-	23,427	46,000
TOTAL DIRECT SUPPORT	2,165,418	308,376	-	2,473,794	2,515,070
Indirect support					
United Way	90,662	-	-	90,662	57,171
TOTAL INDIRECT SUPPORT	90,662	-	-	90,662	57,171
REVENUES					
Investment income	-	-	1,077	1,077	23,922
TOTAL REVENUES	-	-	1,077	1,077	23,922
NET ASSETS RELEASED FROM RESTRICTION	(2,341,361)	-	(11,263)	(2,352,624)	(4,436,508)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	(85,281)	308,376	(10,186)	212,909	(1,840,345)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS					
Direct support					
Other	-	-	44,765	44,765	24,474
TOTAL DIRECT SUPPORT	-	-	44,765	44,765	24,474
CHANGE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	44,765	44,765	24,474
INCREASE (DECREASE) IN TOTAL NET ASSETS	226,582	(69,068)	(67,764)	89,750	1,266,023

See accompanying notes to consolidated financial statements.

GREAT SALT LAKE COUNCIL, INC.,
BOY SCOUTS OF AMERICA AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (CONTINUED)

Year Ended December 31, 2011 with Summarized Comparative Financial Information for 2010

	General Operating Fund	Capital Fund	Endowment Fund	2011 Total	2010 Total
NET ASSETS, BEGINNING OF YEAR					
Unrestricted	(294,989)	4,219,058	3,101,100	7,025,169	3,773,252
Temporarily restricted	2,341,522	720,223	53,063	3,114,808	4,955,153
Permanently restricted	-	116,000	522,271	638,271	783,820
TOTAL NET ASSETS, BEGINNING OF YEAR	2,046,533	5,055,281	3,676,434	10,778,248	9,512,225
ADJUSTMENTS TO NET ASSETS					
Unrestricted adjustments	-	(477,845)	-	(477,845)	170,023
Temporarily restricted adjustments	-	477,845	-	477,845	-
Permanently restricted adjustments	-	-	-	-	(170,023)
TOTAL ADJUSTMENTS TO NET ASSETS	-	-	-	-	-
TRANSFERS	2,322	-	(2,322)	-	-
NET ASSETS, END OF YEAR					
Unrestricted	19,196	3,363,769	2,996,435	6,379,400	7,025,169
Temporarily restricted	2,256,241	1,506,444	42,877	3,805,562	3,114,808
Permanently restricted	-	116,000	567,036	683,036	638,271
TOTAL NET ASSETS, END OF YEAR	$ 2,275,437	$ 4,986,213	$ 3,606,348	$ 10,867,998	$ 10,778,248

See accompanying notes to consolidated financial statements.

GREAT SALT LAKE COUNCIL, INC.,
BOY SCOUTS OF AMERICA AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2011 with Summarized Comparative Financial Information for 2010

	General Operating Fund	Capital Fund	Endowment Fund	2011 Total	2010 Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	$ 226,582	$ (69,068)	$ (67,764)	$ 89,750	$ $ 1,266,023
Adjustments to reconcile change in net assets to net cash flows from operating activities:					
Depreciation and amortization	-	308,291	-	308,291	279,814
Change in allowance for doubtful accounts	-	-	-	-	6,805
Realized and unrealized (gain) loss on investments, net	-	-	121,645	121,645	(303,201)
Loss on sale of assets	-	7,661	-	7,661	-
(Increase) decrease in operating assets:					
Accounts receivable	7,435	(673)	-	6,762	(6,310)
Pledges receivable, net	(30,455)	-	-	(30,455)	100,948
Inventories	(33,382)	-	-	(33,382)	(13,351)
Due from/(to) other funds	20,945	-	(20,945)	-	-
Prepaid expenses	18,214	(1,201)	-	17,013	583,927
Increase (decrease) in operating liabilities:					
Accounts payable	(2,881)	797	-	(2,084)	(2,973)
Accrued expenses	34,683	(230)	-	34,453	(4,422)
Custodial accounts	(98,513)	-	-	(98,513)	(285,914)
Deferred income	136,307	-	-	136,307	(1,336,573)
Other current liabilities	1,341	5,000	-	6,341	(4,322)
Contributions restricted for long-term purposes					
Capital campaign	-	(593,682)	-	(593,682)	(310,000)
Amortization of discount on pledges receivable	-	(4,192)	-	(4,192)	(28,068)
Endowment	-	-	-	-	(24,475)
NET CASH FLOWS FROM OPERATING ACTIVITIES	280,276	(347,297)	32,936	(34,085)	(82,092)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase and redemption of assets restricted to capital campaign, net	-	330,170	-	330,170	310,207
Proceeds from sale of investments	-	-	6,307,656	6,307,656	5,900,091
Proceeds from sale of land, building and equipment	-	5,601	-	5,601	-
Issuance of note receivable	(85,479)	85,479	-	-	-
Purchase of property held for sale	(54,729)	-	-	(54,729)	(1,447)
Purchase of investments	-	-	(6,338,820)	(6,338,820)	(5,904,384)
Investment in land, buildings and equipment	-	(350,804)	-	(350,804)	(944,880)
Decrease in net assets of subsidiary transferred from capital fund	-	(10,473)	-	(10,473)	(3,291)
Increase in net assets of subsidiary transferred from operating fund	10,473	-	-	10,473	3,291
NET CASH FLOWS FROM INVESTING ACTIVITIES	(129,735)	59,973	(31,164)	(100,926)	(640,413)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net increase (decrease) in cash overdrafts	-	(115,084)	-	(115,084)	392,447
Principal payments on bonds payable	-	(81,000)	-	(81,000)	(78,000)
Principal payments on note payable	-	(76,066)	-	(76,066)	(21,674)
Inter-fund transfer	2,322	-	(2,322)	-	-
Collections of contributions restricted for long term-purposes					
Capital campaign	-	570,000	-	570,000	95,000
Endowment	-	-	-	-	24,475
NET CASH FLOWS FROM FINANCING ACTIVITIES	2,322	297,850	(2,322)	297,850	412,248
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	152,863	10,526	(550)	162,839	(310,257)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,017,463	31,229	1,550	2,050,242	2,360,499
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,170,326	$ 41,755	$ 1,000	$ 2,213,081	$ 2,050,242

See accompanying notes to consolidated financial statements.

GREAT SALT LAKE COUNCIL, INC.,
BOY SCOUTS OF AMERICA AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2011 with Summarized Comparative Financial Information for 2010

	Program Services	Management and General	Fundraising	Unallocated Payments to National Organization	2011 Total	2010 Total
EMPLOYEE COMPENSATION EXPENSES						
Salaries	$ 2,870,213	$ 108,311	$ 415,712	$ -	$ 3,394,236	$ 3,285,124
Employee benefits	399,303	19,605	66,512	-	485,420	479,071
Payroll taxes	236,500	7,365	30,926	-	274,791	249,610
Employee related expenses	2,639	132	226	-	2,997	779
TOTAL EMPLOYEE COMPENSATION EXPENSES	3,508,655	135,413	513,376	-	4,157,444	4,014,584
OTHER EXPENSES						
Professional fees	66,040	29,045	2,198	-	97,283	87,614
Supplies	1,170,631	2,416	13,889	-	1,186,936	1,202,966
Telephone	69,284	3,175	6,093	-	78,552	72,596
Postage and shipping	21,033	880	3,187	-	25,100	30,971
Occupancy	368,788	6,962	12,531	-	388,281	417,495
Rent and maintenance	88,471	901	2,004	-	91,376	75,011
Printing and publications	39,202	335	33,350	-	72,887	71,348
Travel	284,548	4,319	22,441	-	311,308	1,299,397
Conferences and meetings	68,505	1,233	9,525	-	79,263	533,954
Specific assistance to individuals	12,255	-	-	-	12,255	11,889
Recognition awards	42,989	564	12,647	-	56,200	87,241
Interest expense	127,547	-	-	-	127,547	132,815
Insurance	155,560	8,192	14,069	-	177,821	160,885
Advertising	54,023	-	52,143	-	106,166	316,697
Other expenses	108,989	5,514	25,785	-	140,288	127,721
TOTAL OTHER EXPENSES	2,677,865	63,536	209,862	-	2,951,263	4,628,600
EXPENSES BEFORE DEPRECIATION	6,186,520	198,949	723,238	-	7,108,707	8,643,184
Depreciation and amortization of buildings and equipment	267,563	15,010	25,777	-	308,350	279,814
TOTAL FUNCTIONAL EXPENSES BEFORE INTERCOMPANY ELIMINATIONS	6,454,083	213,959	749,015	-	7,417,057	8,922,998
INTERCOMPANY ELIMINATIONS	(91,216)	-	-	-	(91,216)	(79,107)
PAYMENTS TO NATIONAL ORGANIZATION	-	-	-	51,394	51,394	51,394
TOTAL FUNCTIONAL EXPENSES	$ 6,362,867	$ 213,959	$ 749,015	$ 51,394	$ 7,377,235	$ 8,895,285

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of operations – The Great Salt Lake Council, Inc., Boy Scouts of America and Subsidiary (the "Council") administers the Boy Scout program in the greater Salt Lake area for 73,406 youth members.

The accounts of the Council are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions placed on the use of resources available to the Council. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds determined in accordance with the nature and purpose of such funds. Separate accounts are maintained for each fund.

Funds restricted by outside sources are so indicated and are distinguished from designated funds allocated for specific purposes by the Council. Externally restricted funds may only be utilized in accordance with the purpose established by the source of such funds and are in contrast with designated and undesignated funds over which the Council retains full control in achieving the objectives of the Council.

The Council operates in Salt Lake City, Utah, including the Counties of Salt Lake, Summit, Tooele, and parts of Davis County. The Council has five separate camping locations and within those locations operates eleven different camps. The Council is a not-for-profit organization devoted to promoting, within the territory covered by the charter granted it by the Boy Scouts of America and in accordance with the congressional program of promoting the ability of boys and young men and women to do things for themselves and others, training them in scoutcraft and teaching them patriotism, courage, self-reliance, and to prepare them to make ethical choices over their lifetime and achieve their full potential using the methods which are now in common use by the Boy Scouts of America.

The Council's programs are classified as follows:

Tiger Cubs is a program for boys who are in the first grade or age 7. The Council had 116 Tiger Cubs in 2011.

Cub Scouting is a program for boys who have completed the first grade or ages 8 to 10. The Council had 23,169 Cub Scouts in 1,451 units at the end of 2011.

Boy Scouting is a program for boys who have completed the fifth grade or are 11 to 18 years old. The Council had 21,392 Boy Scouts in 1,493 units at the end of 2011.

Varsity Scouting is a program for boys who are 14 to 18 years old. The Council had 10,004 Varsity Scouts in 1,281 units at the end of 2011.

Venturing is a program for young men and women from ages 14 to 21. The Council had 10,817 Venturing youth in 1,232 units at the end of 2011.

Learning for Life is a character education program for boys and girls in grades K through 12. The Council had 7,908 youth participating in 21 units at the end of 2011.

Scoutreach is a program which operates as part of the Boy Scout program and provides program activities for at-risk youth who do not have access to Scouting through more traditional Scouting programs.

The Great Salt Lake Council website address is www.gslc-bsa.org.

(1) Summary of significant accounting policies (continued)

Basis of consolidation and fund accounting – The consolidated financial statements of the Council includes the accounts, various funds, and its wholly owned, for-profit subsidiary, Teton Whitewater, LC ("Teton"). All inter-entity balances and transactions have been eliminated in consolidation.

The accounts of the Council are maintained in three self balancing fund groups according to their nature and purposes as follows:

General Operating Fund – the general operating fund is used to account for all activity not related to the other funds.

Capital Fund – the capital fund is used to account for property, buildings, equipment, and legally restricted cash that is to be expended for property, buildings, and equipment. Revenues and expenses related to the capital fundraising campaign are also included in this fund.

Endowment Fund – the endowment fund is normally used to account for amounts of gifts and bequests accepted with legal restrictions based on donor stipulation that the principal be maintained intact in perpetuity, until the occurrence of a specified event or for a specified period, and that only income from investment thereof be expended either for general purposes or for purposes specified by the donor. Temporarily restricted and unrestricted investment funds are also included in the endowment fund.

Basis of presentation – The consolidated financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are those whose use by the Council can be for any purpose to support the Council. Temporarily restricted net assets are those whose use by the Council has been limited by donors to a specific time period, purpose or both. Permanently restricted net assets have been restricted by donors to be maintained by the Council in perpetuity.

Prior year summarized comparative financial information – The consolidated financial statements and certain notes include certain prior year summarized comparative financial information in total, but not by fund balance. Such information does not always include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles ("GAAP"). Accordingly, such information should be read in conjunction with the Council's consolidated financial statements for the year ended December 31, 2010, from which the summarized comparative financial information was derived.

Reclassifications – Certain comparative balances for the year ended December 31, 2010 have been reclassified to make them consistent with the current year presentation. The reclassifications to investments and fair value measurements had no effect on the increase in net assets for 2010.

Use of estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(1) Summary of significant accounting policies (continued)

Cash and cash equivalents – The Council considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Concentration of credit risk – The Council maintains its cash and cash equivalents in financial institution accounts, which may, at times, exceed the federally insured limit of $250,000 set by the Federal Deposit Insurance Corporation. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

Accounts receivable – Accounts receivable are recorded at the invoiced amount and do not bear interest. An allowance for doubtful accounts is recorded when the Council determines, based on historical experience and collection efforts, that an account is uncollectible. The Council reviews its allowance for doubtful accounts periodically. Account balances are charged off after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2011 and 2010, there was no allowance for doubtful accounts.

Inventories – Inventories are stated at the lower of average cost or market.

Land, buildings, and equipment and related depreciation and amortization – Purchased property and equipment is stated at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals of $1,000 or more are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in the change in net assets. Depreciation of property and equipment and amortization of leasehold improvements are computed using the straight-line method based on the shorter of the estimated useful lives or lease terms of the assets as follows:

Assets	Estimated Useful Lives
Land improvements	10 - 40 years
Buildings and leasehold improvements	2 - 50 years
Furniture, fixtures and equipment	3 - 20 years

Donations of property and equipment are recorded as contributions at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose based on its fair value. Assets donated with explicit restrictions regarding their use, absent donor stipulations regarding how long those donated assets must be maintained, are recorded as restricted net assets. The Council reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Council reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Long-lived assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the years ended December 31, 2011 and 2010.

(1) Summary of significant accounting policies (continued)

Investments – Investments are stated at estimated fair value. Realized and unrealized gains and losses, interest, and dividends on investments are recorded as unrestricted unless such amounts are restricted by the donor or by law. Investments received as gifts are recorded at the estimated fair value at the date of the gift.

Revenue recognition – Camping and activity revenue is recognized in the period to which the service or activity relate. Funds received in advance of providing these services are recorded as deferred income until the services are provided.

The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the consolidated statement of changes in net assets.

Other revenue consists of mainly rent revenue and is recognized on a monthly basis as earned.

Pledges receivable (unconditional promises to give) – Unconditional promises to give cash and other assets to the Council are reported at fair value at the date the written promise is received. Conditional promises to give or indications of intentions to give are not reported until the condition(s) are met. Restricted gifts are recorded as revenue when cash is received or a written promise is given by a donor. Although temporarily restricted contributions typically are reported as support that increases restricted net assets, they are reported as unrestricted support if the restrictions are met in the same reporting period. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated discounted future cash flows. Amortization of the discounts is included in contributions. As of December 31, 2011 and 2010, there were $11,056 and $12,805, respectively, in bad debt reserves associated with the unconditional promises to give.

Donated materials, services and use of long-lived assets – Donated property, marketable securities and other noncash donations are recorded as contributions at their fair value at the date of donation.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council. Some members of the Council have donated significant amounts of time to the Council in furthering its programs and objectives. However, no amounts have been included in the consolidated financial statements for donated member or volunteer services since they did not meet the criteria for recognition.

Functional expenses – The costs of providing the various programs and supporting services have been summarized on a functional basis. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Council providing those services. In accordance with the policy of the National Council of the Boy Scouts of America (the “National Council”), the payment of the charter fee to the National Council is not allocated as a functional expense.

(1) Summary of significant accounting policies (continued)

Advertising costs – Advertising costs are charged to operations when incurred.

Custodial accounts – Custodial accounts represent amounts held by the Council as custodian for registration fees for member units and amounts on deposit for affiliated Scouting Associations for their future use.

Income taxes – The Council is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. However, the Council is subject to federal income tax on any unrelated business taxable income. During 2011, the Council did not have any unrelated business taxable income. The Council currently has a loss carryforward of approximately $184,060 to offset future unrelated business taxable income. The amount of future taxable income which could be offset may be limited by the extent of the loss carryforwards. The loss carryforwards will expire at various dates beginning in 2021, if not utilized. The Council has determined that it is more likely than not that the net loss carryforward will not be realized and has therefore provided a full valuation allowance against any deferred tax asset. The Council does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

Fair value measurements – The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the “exit price”) in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement date. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Council uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Council. Unobservable inputs are inputs that reflect the Council’s assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Council has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets does not entail a significant degree of judgment.

Level 2 – Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

(1) Summary of significant accounting policies (continued)

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

Accordingly, the degree of judgment exercised by the Council in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Council's own assumptions are set to reflect those that the Council believes market participants would use in pricing the asset or liability at the measurement date.

See note 15 for a description of valuation techniques applied to the major categories of financial instruments measured at fair value.

Recently issued accounting pronouncements – The following accounting pronouncements were recently issued by the FASB.

In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, which amended wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. ASU No. 2011-04 is effective for annual periods beginning after December 15, 2011. The adoption of ASU No. 2011-04 is not expected to have a significant impact on the Council's consolidated financial statements.

In September 2011, the FASB issued ASU No. 2011-09, *Compensation – Retirement Benefits – Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan*, which required expanded disclosures for certain defined benefit pension and other postretirement plans. Among other requirements, ASU No. 2011-09 requires local chapters of not-for-profit entities that participate in their national organization's single-employer defined benefit pension plan to provide the name of the plan in which the employer participates. ASU No. 2011-09 is effective for annual periods for fiscal years ending after December 15, 2012, with early adoption permitted. The adoption of ASU No. 2011-09 is not expected to have a significant impact on the Council's consolidated financial statements.

(2) For-profit subsidiary

During 2001, the Council organized Teton, a wholly owned, for-profit subsidiary, for the purpose of providing Snake River raft rides to the youth members of the Council and to the general public. The Council purchased a permit allowing three boats on the Snake River issued by the U.S. Forest Service, along with boats, buses, and other related equipment for running boats on the Snake River. The purchase price was for equipment of $38,150 and a permit of $561,850. The permit

(2) For-profit subsidiary (continued)

expires on December 31, 2014. Based on the Council's expected ability to renew the permit on a perpetual basis, the Council has determined that the permit has an indefinite life and does not amortize the value of the permit. Though the Council continues to maintain that the permit has an indefinite useful life, based on an evaluation of the present value of future cash flows during 2009, it was determined that the asset was impaired and thus was written down in 2009.

(3) Fund balance transfers

Certain cash transfers between funds were made during the year to properly report all funds on a basis consistent with executive board designations and Council accounting policies.

(4) Pledges receivable

Pledges receivable as of December 31, 2011 consisted of the following:

	General Operating Fund	Capital Fund	Total
Years Ending December 31,			
2012	$ 131,770	$ 95,000	$ 226,770
2013	11,667	-	11,667
2014	5,667	-	5,667
Total gross pledges receivable	149,104	95,000	244,104
Less unamortized discount	(90)	(1,696)	(1,786)
Less allowance for doubtful accounts	(11,056)	-	(11,056)
Pledges receivable, net	137,958	93,304	231,262
Less current portion	(120,624)	(93,304)	(213,928)
Non-current pledges receivable, net	$ 17,334	$ -	$ 17,334

Pledges receivable as of December 31, 2010 consisted of the following:

	General Operating Fund	Capital Fund	Total
Years Ending December 31,			
2011	$ 115,618	$ 570,000	$ 685,618
2012	5,000	95,000	100,000
Total gross pledges receivable	120,618	665,000	785,618
Less unamortized discount	(310)	(5,888)	(6,198)
Less allowance for doubtful accounts	(12,805)	-	(12,805)
Pledges receivable, net	107,503	659,112	766,615
Less current portion	(102,724)	(225,977)	(328,701)
Non-current pledges receivable, net	$ 4,779	$ 433,135	$ 437,914

Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate ranging from 2.71% to 4.63%. Capital campaign contributions are restricted to investment in land, buildings and equipment.

(5) Land, buildings, and equipment

Land, buildings, and equipment in the capital fund as of December 31, 2011 and 2010 consisted of the following:

	2011		
	Depreciable Basis	Accumulated Depreciation	Net Book Value
Land	$ 2,479,867	$ -	$ 2,479,867
Land improvements	1,093,562	504,147	589,415
Buildings and leasehold improvements	5,049,823	2,436,917	2,612,906
Furniture, fixtures and equipment	1,473,434	955,564	517,870
Construction in progress	798,755	-	798,755
Total	$ 10,895,441	$ 3,896,628	$ 6,998,813

	2010		
	Depreciable Basis	Accumulated Depreciation	Net Book Value
Land	$ 2,479,867	$ -	$ 2,479,867
Land improvements	1,093,562	470,491	623,071
Buildings and leasehold improvements	5,044,445	2,297,490	2,746,955
Furniture, fixtures and equipment	1,428,439	847,901	580,538
Construction in progress	535,546	-	535,546
Total	$ 10,581,859	$ 3,615,882	$ 6,965,977

Depreciation and amortization expense for the years ended December 31, 2011 and 2010 was $304,706 and $276,229, respectively.

(6) Investments

Long-term investments in the capital and endowment funds are held in of a trust. The detail of investments by major type as of December 31, 2011 and 2010 consisted of the following:

	2011	2010
Money market accounts	$ 238,415	$ 239,941
Government securities:		
U.S. treasury notes	263,352	224,732
U.S. treasury bond	-	33,416
Mortgage backed	645,622	729,108
Mutual funds:		
Domestic	160,760	171,941
International	465,671	-
Equities:		
Domestic	680,179	1,646,336
International	473,058	602,360
Real estate investment trusts	224,126	147,995
Alternative investments	554,165	-
Total	$ 3,705,348	$ 3,795,829

(6) Investments (continued)

Investment income for the years ended December 31, 2011 and 2010 consisted of the following:

	2011	2010
Interest	$ 49,092	$ 50,074
Dividends	105,478	58,945
Realized gain	460,066	151,867
Net unrealized gain (loss)	(549,427)	181,561
Less trustee & other fees	(32,284)	(30,227)
Total	$ 32,925	$ 412,220

(7) Property and equipment held for sale

A building lot was purchased in July 2008 for $69,661 and had a carrying value of $128,922 and $74,194 as of December 31, 2011 and 2010, respectively. The building lot is in the process of development.

(8) Line-of-credit

The Council has obtained an $800,000 line-of-credit with a financial institution collateralized by the assets in the endowment. There was no balance on the line-of-credit as of December 31, 2011. The line matures on May 12, 2012 and bears interest at the 90 day LIBOR rate plus 3.35% (As of December 31, 2011, the 90 day LIBOR rate was 0.55% plus 3.35% yields a rate of 3.90%). Interest payments are due monthly with principal and interest due upon maturity. The average monthly balance during the year ended December 31, 2011 was $0, and total interest expense for the year was $0. The line-of-credit is subject to certain financial and nonfinancial covenants. The Council is in the process of renewing the line-of-credit for an additional annual period.

(9) Long-term debt

Notes Payable

The Council has a note payable to a financial institution related to the purchase of Teton collateralized by all of Teton's personal property. The note bears interest at a fixed rate of 7.00% and requires monthly payments of $4,465 from March 5, 2006 through January 5, 2016. A final payment of $231,324 is due on February 5, 2016. Future debt service requirements as of December 31, 2011 are as follows:

	Principal	Interest	Totals
Years Ending December 31,			
2012	$ 28,771	$ 24,809	53,580
2013	30,954	22,626	53,580
2014	33,224	20,356	53,580
2015	35,660	17,920	53,580
2016	232,998	2,790	235,788
Total long-term debt	361,607	88,501	450,108
Less current portion	(28,771)	(24,809)	(53,580)
Total non-current portion of long-term debt	$ 332,836	$ 63,692	$ 396,528

(9) Long-term debt (continued)

On July 31, 2006, the Council purchased 564.82 acres on the East Fork of the Bear River from the State of Utah Schools and Institutions Trust Lands Administration ("SITLA") in the amount of $2,111,400. The purchase was initially financed through a note payable to SITLA.

On December 7, 2006, the Council obtained tax exempt Business Development Revenue Bonds (Boy Scouts Project), Series 2006, through Summit County, Utah. Total bonds issued were $2,196,000, and the proceeds were used to pay off the note payable to SITLA. The bonds bear interest at 4.91% with annual principal and interest payments due beginning on December 10, 2007. The bonds are collateralized by certain land and property.

The bonds mature on December 10, 2026. Future debt service requirements are as follows:

	Principal	Interest	Totals
Years Ending December 31,			
2012	$ 85,000	$ 89,706	$ 174,706
2013	90,000	85,532	175,532
2014	94,000	81,113	175,113
2015	98,000	76,498	174,498
2016	103,000	71,686	174,686
Thereafter	1,357,000	392,849	1,749,849
Total long-term debt	1,827,000	797,384	2,624,384
Less current portion	(85,000)	(89,706)	(174,706)
Total non-current portion of long-term debt	$ 1,742,000	$ 707,678	$ 2,449,678

In conjunction with the issuance of the bonds, the Council paid $71,693 in bond financing costs, which are being amortized over the life of the bonds. For the years ended December 31, 2011 and 2010, the Council recognized amortization of $3,585 and $3,585, respectively. As of December 31, 2011 and 2010, unamortized bond financing costs totaled $53,770 and $57,354. The bonds are subject to certain financial and nonfinancial covenants.

(10) Restricted net assets

Restricted net assets are available for the following purposes as of December 31, 2011 and 2010:

	2011			
	General Operating Fund	Capital Fund	Endowment Fund	Total
Temporarily restricted net assets				
Program activities	$ 2,256,241	$ -	$ 42,877	$ 2,299,118
Buildings, equipment and maintenance	-	798,755	-	798,755
Capital campaign projects	-	707,689	-	707,689
Total	$ 2,256,241	$ 1,506,444	$ 42,877	$ 3,805,562
Permanently restricted net assets				
Investment in perpetuity	$ -	$ 100,000	$ 567,036	667,036
Land use restrictions	-	16,000	-	16,000
Total	$ -	$ 116,000	$ 567,036	$ 683,036

(10) Restricted net assets (continued)

	2010			
	General Operating Fund	Capital Fund	Endowment Fund	Total
Temporarily restricted net assets				
Program activities	$ 2,341,522	$ -	$ 53,063	$ 2,394,585
Buildings, equipment and maintenance	-	400,612	-	400,612
Capital campaign projects	-	319,611	-	319,611
Total	$ 2,341,522	$ 720,223	$ 53,063	$ 3,114,808
Permanently restricted net assets				
Investment in perpetuity	$ -	$ 100,000	$ 522,271	622,271
Land use restrictions	-	16,000	-	16,000
Total	$ -	$ 116,000	$ 522,271	$ 638,271

During the years ended December 31, 2011 and 2010, temporarily restricted funds of approximately $331,000 and $716,000, respectively, were advanced to meet operating obligations. The Council's management anticipates that the donors will not require the contribution to be returned to the donors and that unrestricted funds will become available to repay the advance and meet the donors' restrictions. Accordingly, no provision has been made for any liabilities that might arise from this noncompliance.

Permanently Restricted Land

The Council owns two parcels of land, which have permanent restrictions on them. The Council's Headquarters is on a piece of land that was given to the Council as long as it is used as the Scout Headquarters. The acquisition cost of the land was $16,000. The other restricted property is the Bear Lake Camp in Rich County, Utah. The land representing approximately 289 acres was given to the Great Salt Lake Council to use strictly as a Boy Scout Camp. There was no acquisition cost for the property.

(11) Retirement plan

The Council participates in the Boy Scouts of America Master Pension Trust - Boy Scouts of America Retirement Plan for Employees (the "Plan"), which covers substantially all Council employees. The Plan is a defined benefit multiemployer contributory plan requiring contributions by both participants and employer and is administered by the National Council.

Eligible employees can contribute up to 2.00% of compensation and the Council contributed an additional 6.75% for 2011 and 6.50% in 2010 to the Plan, which amount is determined by the National Council each year. Pension expense for the years ended December 31, 2011 and 2010 amounted to $152,475 and $156,405, respectively. The Council has no liability under the Plan beyond its annual contribution.

The Council maintains a tax-qualified employee savings and retirement plan ("403(b) plan") covering all eligible employees of the Council. Employees may elect to reduce their compensation up to the prescribed Internal Revenue Service annual limit and have such reduction contributed to the 403(b) plan. The Council has made no matching contributions on employees' contributions.

(12) Leases

The Council leases retail space for two scout shops under noncancelable operating leases. Lease payments under these leases totaled $45,504 and $42,992 for the years ended December 31, 2011 and 2010, respectively.

Future aggregate minimum rental payments under existing noncancelable leases as of December 31, 2011 are as follows:

Years Ending December 31,	Total
2012	$ 37,026
2013	22,680
2014	22,680
2015	23,155
2016	23,820
Thereafter	37,715
Total	$ 167,076

The National Council operates three scout shops within the Council's facilities in the State of Utah. One scout shop is located in Davis County and the other two scout shops are located in Salt Lake County. The National Council manages the Scout shops and pays the Council an 8 percent rent payment on the net sales up to $750,000, and 13 percent on net sales in excess of $750,000. The rental payments received by the Council for the years ended December 31, 2011 and 2010 were $316,740 and $350,645, respectively.

(13) Contingencies

At times, the Council may be involved in various claims and legal actions. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Council's consolidated financial condition.

(14) Supplemental cash flow information

The following is a summary of supplemental cash flow information as of December 31, 2011 and 2010:

	2011	2010
Cash paid for interest	$ 124,000	$ 129,418
Cash paid for income taxes	$ -	$ -

(15) Fair value measurements

The following table summarizes the Council's assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 and 2010.

	2011			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2011
Money market accounts	$ 238,415	$ -	$ -	$ 238,415
Government securities:				
U.S. treasury notes	-	263,352	-	263,352
Mortgage backed	-	645,622	-	645,622
Mutual funds:				
Domestic	160,760	-	-	160,760
International	465,671	-	-	465,671
Equities:				
Domestic	680,179	-	-	680,179
International	473,058	-	-	473,058
Real estate investment trusts	224,126	-	-	224,126
Alternative investments	470,565	-	83,600	554,165
Total	$ 2,712,774	$ 908,974	$ 83,600	$ 3,705,348

	2010			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2010
Money market accounts	$ 239,941	$ -	$ -	$ 239,941
Government securities:				
U.S. treasury notes	-	224,732	-	224,732
U.S. treasury bond	-	33,416	-	33,416
Mortgage backed	-	729,108	-	729,108
Mutual funds:				
Domestic	171,941	-	-	171,941
Equities:				
Domestic	1,646,336	-	-	1,646,336
International	602,360	-	-	602,360
Real estate investment trusts	147,995	-	-	147,995
Total	$ 2,808,573	$ 987,256	$ -	$ 3,795,829

The table below presents the change in fair value measurements that used Level 3 inputs during the years ended December 31, 2011 and December 31, 2010.

	2011	2010
Balance on January 1	$ -	$ -
Purchases	80,000	-
Change in value recognized in earnings	3,600	-
Balance at December 31	$ 83,600	$ -

(15) Fair value measurements (continued)

The Council's investments in U.S. treasury notes and investment in the U.S. treasury bond are valued using proprietary valuation models incorporating live data from active market makers and inter-dealer brokers as reported on electronic communication networks. The valuation models incorporate benchmark yields, reported trades, broker/dealer quotes, bids, offers, and other data.

The Council's investments in mortgage backed securities are priced at the individual tranche level. Cash flow projections are predicted utilizing industry-standard models that consider various assumptions, including time value, yield curves, volatility factors, prepayment speeds, payment information and default rates, loss severity, collateral performance, as well as other relevant economic measures valued using proprietary cash flow valuation models and matrix based on inputs such as live market data, cash settlements, treasury market yields, and floating rate indices as reported on electronic communication networks or broker feeds. Substantially all of these assumptions are observable in the marketplace, can be derived from observable data, or are supported by observable levels at which transactions are executed in the marketplace.

The Council's investment in a private equity fund is valued through the assets, liabilities, expenses and other appropriate data comprising the fund, adjusted for other relevant information available at the fair value determination date.

See Note 1 for the Council's policies regarding the fair value hierarchy. During the years ended December 31, 2011 and 2010, there were no transfers between the valuation hierarchy Levels 1, 2 and 3. The Council has no other assets or liabilities with recurring and non-recurring fair value measurements.

(16) Endowment

The Council's endowment includes both donor-restricted endowment and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law – The Board of Trustees of the Council, based on information from the National Council, has interpreted the Uniform Prudent Management of Institutional Funds Act as adopted by the State of Utah as not applying to the Council's endowment as the trust is managed by a corporate trustee. The Council will continue to follow the Statement of Investment Policy and Guidelines and applicable state trust law in managing the funds of the endowment that are included in the trust.

As a result of this interpretation, the Council classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets or unrestricted net assets based on the existence of any donor restrictions. The Council considers the following factors in making a determination to appropriate or accumulate donor-restricted and unrestricted endowment funds:

(16) Endowment (continued)

(1) The duration and preservation of the fund
(2) The purposes of the organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Council
(7) The investment policies of the Council

Endowment net asset composition by type of fund as of December 31, 2011 consisted of the following:

Description	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 42,877	$ 567,036	$ 609,913
Board-designated endowment funds	2,996,435	-	-	2,996,435
Donor-restricted capital funds	-	-	100,000	100,000
Total endowment net assets	$ 2,996,435	$ 42,877	$ 667,036	$ 3,706,348

Changes in endowment net assets for the year ended December 31, 2011 consisted of the following:

Description	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 3,101,100	$ 53,063	$ 622,271	$ 3,776,434
Investment return:				
Investment income	137,286	7,456	-	144,742
Net realized & unrealized (losses)	(120,466)	(6,379)	-	(126,845)
Total investment return	16,820	1,077	-	17,897
Contributions	1,575	-	44,765	46,340
Appropriation of endowment assets for expenditure	(132,000)	-	-	(132,000)
Release of restrictions	-	(11,263)	-	(11,263)
Other changes:				
Transfer between fund classes for donations	8,940	-	-	8,940
Endowment net assets, end of year	$ 2,996,435	$ 42,877	$ 667,036	$ 3,706,348

(16) Endowment (continued)

Endowment net asset composition by type of fund as of December 31, 2010 consisted of the following:

Description	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 53,063	$ 522,271	$ 575,334
Board-designated endowment funds	3,101,100	-	-	3,101,100
Donor-restricted capital funds	-	-	100,000	100,000
Total endowment net assets	$ 3,101,100	$ 53,063	$ 622,271	$ 3,776,434

Changes in endowment net assets for the year ended December 31, 2010 consisted of the following:

Description	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 2,639,967	$ 30,611	$ 767,820	$ 3,438,398
Investment return:				
Investment income	92,681	4,956	-	97,637
Net realized & unrealized gains	284,235	18,966	-	303,201
Total investment return	376,916	23,922	-	400,838
Contributions	5,865	-	24,474	30,339
Appropriation of endowment assets for expenditure	(92,681)	-	-	(92,681)
Release of restrictions	-	(1,470)	-	(1,470)
Other changes:				
Transfer between net asset classes for donor changes	171,033	-	(170,023)	1,010
Endowment net assets, end of year	$ 3,101,100	$ 53,063	$ 622,271	$ 3,776,434

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Council to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2011 and 2010.

Return objectives and risk parameters – The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Council must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that it will earn a base return of 4.00% of the original principal, expressed in dollars, above the trailing 3 year average of the Consumer Price Index. Asset allocations should be targeted to produce expected returns consistent with this target using long term historical returns of assets classes as a guide. Actual returns in any given year may vary from this amount.

(16) Endowment (continued)

Strategies employed for achieving objectives – To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy – The Council has a total return spending policy approved by the Board of Trustees that allows the operating fund to receive and recognize investment earnings originating from the endowment funds. As of December 31, 2011, the Board of Trustees approved spending policy was to distribute the unrestricted dividend, interest and realized gains at a rate of $11,000 per month or $132,000 for the year in addition to releases on temporarily restricted dividend and interest earned on endowment assets during the year, which was $11,262. This is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

(17) Conditional promises to give

Conditional promises to give, which are not recognized as assets, as of December 31, 2011 and 2010 consisted of the following:

	2011	2010
Unrestricted conditional gift	$ 100,000	$ 100,000

(18) Subsequent events

The Council has evaluated subsequent events through May 31, 2012, which is the date these consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees

GREAT SALT LAKE COUNCIL, INC., BOYS SCOUTS OF AMERICA AND SUBSIDIARY

We have audited the consolidated financial statements of Great Salt Lake Council, Inc., Boy Scouts of America and Subsidiary (the "Council") as of and for the year ended December 31, 2011, and our report thereon dated May 31, 2012, which expressed an unqualified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The prior year summarized comparative financial information has been derived from the Council's 2010 consolidated financial statements and in our report dated May 12, 2011, we expressed an unqualified opinion on those consolidated financial statements. The Major Program Services Expenses information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The Major Program Services Expenses information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statement themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Major Program Services Expenses information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann P.C.

Salt Lake City, Utah
May 31, 2012

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GREAT SALT LAKE COUNCIL, INC.
BOY SCOUTS OF AMERICA AND SUBSIDIARY

MAJOR PROGRAM SERVICES EXPENSES

Year Ended December 31, 2011 with Summarized Comparative Financial Information for 2010

	Learning for Life	Scoutreach	Traditional Scouting Programs	2011 Total Program Services	2010 Total Program Services
EMPLOYEE COMPENSATION EXPENSES					
Salaries	$ 66,401	$ 23,544	$ 2,780,268	$ 2,870,213	$ 2,870,796
Employee benefits	3,124	1,277	394,902	399,303	408,599
Payroll taxes	5,429	1,938	229,133	236,500	219,039
Employee related expenses	-	-	2,639	2,639	779
TOTAL EMPLOYEE COMPENSATION EXPENSES	74,954	26,759	3,406,942	3,508,655	3,499,213
OTHER EXPENSES					
Professional fees	33,333	-	32,707	66,040	56,281
Supplies	14,883	2,913	1,152,835	1,170,631	1,195,717
Telephone	220	-	69,064	69,284	64,018
Postage and shipping	37	-	20,996	21,033	25,524
Occupancy	-	-	368,788	368,788	398,711
Rent and maintenance	-	-	88,471	88,471	71,623
Printing and publications	673	802	37,727	39,202	58,706
Travel	2,839	3,806	277,903	284,548	1,283,244
Conferences and meetings	873	24	67,608	68,505	516,502
Specific assistance to individuals	10	12,245	-	12,255	11,889
Recognition awards	2,511	9	40,469	42,989	74,926
Interest expense	-	-	127,547	127,547	132,815
Insurance	-	-	155,560	155,560	140,062
Advertising	-	-	54,023	54,023	266,336
Other expenses	115	21	108,853	108,989	112,358
TOTAL OTHER EXPENSES	55,494	19,820	2,602,551	2,677,865	4,408,712
EXPENSES BEFORE DEPRECIATION	130,448	46,579	6,009,493	6,186,520	7,907,925
Depreciation and amortization of buildings and equipment	5,642	2,015	259,906	267,563	242,885
TOTAL PROGRAM FUNCTIONAL EXPENSES BEFORE INTERCOMPANY ELIMINATIONS	136,090	48,594	6,269,399	6,454,083	8,150,810
INTERCOMPANY ELIMINATIONS	-	-	(91,216)	(91,216)	(79,107)
TOTAL PROGRAM FUNCTIONAL EXPENSES	$ 136,090	$ 48,594	$ 6,178,183	$ 6,362,867	$ 8,071,703