

UTAH NATIONAL PARKS COUNCIL



FINANCIAL STATEMENTS

Years Ended December 31, 2011 and 2010

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Orem, Utah 84057
www.utahscouts.org

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INDEPENDENT AUDITOR’S REPORT

Utah National Parks Council
 Boy Scouts of America
 Orem, Utah

We have audited the accompanying statements of financial position of the Utah National Parks Council, Boy Scouts of America (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Council’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 financial statements referred to above present fairly, in all material respects, the financial position of the Utah National Parks Council, Boy Scouts of America as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

HintonBurdick, PLLC

HintonBurdick, PLLC
 May 16, 2012

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
STATEMENTS OF FINANCIAL POSITION

December 31, 2011 and 2010

ASSETS	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2011	2010	2011	2010	2011	2010	2011	2010
Current Assets								
Cash	\$ 1,772,069	\$ 1,630,353	\$ 328,080	\$ 35,332	\$ 95,315	\$ 179,837	\$ 2,195,464	\$ 1,845,522
Short-term investments	-	-	-	-	55,321	182,080	55,321	182,080
Accounts and notes receivable	33,048	27,177	350	-	-	-	33,398	27,177
Pledges receivable, net	182,680	292,656	101,568	6,118	16,634	16,734	300,882	315,508
Inventories	268,198	247,332	-	-	-	-	268,198	247,332
Interfund loan	1,194,041	1,194,041	(1,522,941)	(1,471,222)	328,900	277,181	-	-
Prepaid expenses	383,131	342,598	-	-	-	-	383,131	342,598
Total current assets	3,833,167	3,734,157	(1,092,943)	(1,429,772)	496,170	655,832	3,236,394	2,960,217
Non-Current Assets								
Accounts, notes and other receivables	-	-	-	-	85,764	76,024	85,764	76,024
Pledges receivable, net	-	-	-	-	71,662	60,809	71,662	60,809
Land, building and equipment, net	-	-	10,394,183	9,692,787	-	-	10,394,183	9,692,787
Long-term investments	-	-	-	-	2,363,841	2,331,748	2,363,841	2,331,748
Cash surrender value	-	-	-	-	-	-	-	-
Total non-current assets	-	-	10,394,183	9,692,787	2,521,267	2,468,581	12,915,450	12,161,368
Total assets	\$ 3,833,167	\$ 3,734,157	\$ 9,301,240	\$ 8,263,015	\$ 3,017,437	\$ 3,124,413	\$ 16,151,844	\$ 15,121,585
LIABILITIES								
Current Liabilities								
Accounts payable	\$ 140,089	\$ 162,854	\$ 5,787	\$ -	\$ -	\$ 72	145,876	162,926
Payroll taxes withheld	1,338	1,024	-	-	-	-	1,338	1,024
Custodian accounts	1,426,389	1,339,303	-	-	-	-	1,426,389	1,339,303
Deferred activity income	121,352	74,913	-	-	-	-	121,352	74,913
Deferred camp income	120,209	99,297	-	-	-	-	120,209	99,297
Deferred other income	13,215	16,285	-	-	-	-	13,215	16,285
Other current liabilities	17	-	-	-	-	-	17	-
Total current liabilities	1,822,609	1,693,676	5,787	-	-	72	1,828,396	1,693,748
Net Assets								
Unrestricted net assets	(731,343)	(705,973)	9,081,530	8,087,425	537,996	685,296	8,888,183	8,066,748
Temporarily restricted net assets	2,741,901	2,746,454	89,423	51,090	6,880	-	2,838,204	2,797,544
Permanently restricted net assets	-	-	124,500	124,500	2,472,561	2,439,045	2,597,061	2,563,545
Total net assets	2,010,558	2,040,481	9,295,453	8,263,015	3,017,437	3,124,341	14,323,448	13,427,837
Total liabilities and net assets	\$ 3,833,167	\$ 3,734,157	\$ 9,301,240	\$ 8,263,015	\$ 3,017,437	\$ 3,124,413	\$ 16,151,844	\$ 15,121,585

The accompanying notes are an integral part of these financial statements

UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA
STATEMENTS OF CHANGES IN NET ASSETS

Years Ended December 31, 2011 and 2010

Changes in Unrestricted Net Assets:	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2011	2010	2011	2010	2011	2010	2011	2010
Direct public support								
Friends of scouting - gross	\$ 341,034	\$ 160,344	\$ -	\$ -	\$ -	\$ -	\$ 341,034	\$ 160,344
Less provision for uncollectible	(7,279)	(122,850)	-	-	-	-	(7,279)	(122,850)
Net friends of scouting	333,755	37,494	-	-	-	-	333,755	37,494
Project sales	26,630	13,249	26,391	6,000	-	-	53,021	19,249
Capital campaign	-	-	1,314,187	122,213	-	-	1,314,187	122,213
Special events - gross	104,211	116,735	-	-	-	-	104,211	116,735
Less cost of direct benefit	(22,975)	(44,140)	-	-	-	-	(22,975)	(44,140)
Net special events	81,236	72,595	-	-	-	-	81,236	72,595
Legacies and bequests	150	7,000	-	-	-	-	150	7,000
Foundations and trusts	69,912	3,869	-	-	-	-	69,912	3,869
Other direct support	8,575	10,800	-	-	-	-	8,575	10,800
Total direct public support	520,258	145,007	1,340,578	128,213	-	-	1,860,836	273,219
Indirect support								
Other indirect support	5,183	5,372	-	-	-	-	5,183	5,372
Total indirect support	5,183	5,372	-	-	-	-	5,183	5,372
Revenue								
Sales of supplies - gross	469,218	521,139	-	-	-	-	469,218	521,139
Less cost of goods sold	(332,282)	(378,448)	-	-	-	-	(332,282)	(378,448)
Net sale of supplies	136,936	142,691	-	-	-	-	136,936	142,691
Product sales - gross	37,110	54,069	-	-	-	-	37,110	54,069
Less cost of goods sold	(15,987)	(22,933)	-	-	-	-	(15,987)	(22,933)
Less commissions paid to units	(13,138)	(17,846)	-	-	-	-	(13,138)	(17,846)
Net product sales	7,986	13,291	-	-	-	-	7,986	13,290
Investment income	99,826	72,563	-	-	-	-	99,826	72,563
Gain (loss) on investments	36,122	55,202	-	-	(145,357)	133,798	(109,235)	189,000
Camping revenue	2,239,774	1,950,247	-	-	-	-	2,239,774	1,950,247
Activity revenue	812,196	2,464,321	3,281	1,957	-	-	815,477	2,466,278
Other revenue	331,072	390,623	16,385	1,150	-	-	347,457	391,773
Total revenue	3,663,912	5,088,938	19,666	3,107	(145,357)	133,798	3,538,221	5,225,844

The accompanying notes are an integral part of these financial statements

UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA
STATEMENTS OF CHANGES IN NET ASSETS (Continued)
Years Ended December 31, 2011 and 2010

Changes in Unrestricted Net Assets:	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2011	2010	2011	2010	2011	2010	2011	2010
Net assets released from restrictions								
Reclass friends of scouting	2,746,454	3,174,960	-	-	-	-	2,746,454	3,174,960
Reclass project sales	-	370	-	-	-	-	-	370
Reclass capital campaign	-	-	5,150	20,000	-	-	5,150	20,000
Reclass foundations	-	-	-	-	-	-	-	-
Reclass other direct	-	-	-	-	-	-	-	-
Reclass other indirect	-	-	-	-	-	-	-	-
Total reclassification of net assets	2,746,454	3,175,330	5,150	20,000	-	-	2,751,604	3,195,330
Total support and revenue	6,935,806	8,414,646	1,365,394	151,320	(145,357)	133,798	8,155,843	8,699,764
Expenses								
Employee compensation								
Salaries	3,059,009	3,090,721	-	-	-	-	3,059,009	3,090,721
Employee benefits	508,268	492,433	-	-	-	-	508,268	492,433
Payroll taxes	278,193	262,787	-	-	-	-	278,193	262,787
Employee related expenses	1,099	2,892	-	-	-	-	1,099	2,892
Total employee compensation	3,846,569	3,848,833	-	-	-	-	3,846,569	3,848,832
Other expenses								
Professional fees	95,924	80,440	11,650	-	-	-	107,574	80,440
Supplies	1,380,973	2,001,720	-	-	-	-	1,380,973	2,001,720
Telephone	86,202	85,916	-	-	-	-	86,202	85,916
Postage and shipping	59,263	77,165	-	-	-	-	59,263	77,165
Occupancy	442,040	388,352	-	-	-	-	442,040	388,352
Rental and maintenance of equipment	133,103	95,839	-	-	-	-	133,103	95,839
Printing and publications	31,855	35,553	-	-	-	-	31,855	35,553
Travel	243,463	1,136,337	-	-	-	-	243,463	1,136,337
Conferences and meetings	55,136	51,439	-	-	-	-	55,136	51,439
Specific assistance to individuals	(20)	-	-	-	-	-	(20)	-
Recognition awards	59,210	82,075	-	-	1,943	956	61,153	83,031
Interest expense	4,654	1,743	-	-	-	-	4,654	1,743
Insurance	144,093	143,414	-	-	-	-	144,093	143,414
Other expenses	118,117	171,132	-	-	-	-	118,117	171,132
Depreciation of buildings/equipment	-	-	535,005	541,298	-	-	535,005	541,298
Total other expenses	2,854,013	4,351,123	546,655	541,298	1,943	956	3,402,611	4,893,380
Charter and national service fee	85,225	85,225	-	-	-	-	85,225	85,225
Total expenses	6,785,807	8,285,181	546,655	541,298	1,943	956	7,334,406	8,827,437
Increase (decrease) in unrestricted net assets	149,999	129,465	818,739	(389,978)	(147,300)	132,842	821,437	(127,673)

The accompanying notes are an integral part of these financial statements

UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA
STATEMENTS OF CHANGES IN NET ASSETS (Continued)
Years Ended December 31, 2011 and 2010

Changes in Temporarily Restricted Net Assets	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2011	2010	2011	2010	2011	2010	2011	2010
Direct support								
Friends of scouting - gross	2,885,158	2,891,004	-	-	-	-	2,885,158	2,891,004
Less provision for uncollectible	(144,258)	(144,550)	-	-	-	-	(144,258)	(144,550)
Net friends of scouting	2,740,900	2,746,454	-	-	-	-	2,740,900	2,746,454
Project sales	-	-	-	-	-	-	-	-
Capital campaign	-	-	43,483	(120)	-	-	43,483	(120)
Foundations and trusts	1,000	-	-	-	-	-	1,000	-
Total direct support	2,741,900	2,746,454	43,483	(120)	-	-	2,785,383	2,746,334
Revenue								
Investment Income	-	-	-	-	6,880	-	6,880	-
Net assets released from restrictions								
Reclass friends of scouting	(2,746,454)	(3,174,960)	-	-	-	-	(2,746,454)	(3,174,960)
Reclass project sales	-	(370)	-	-	-	-	-	(370)
Reclass capital campaign	-	-	(5,150)	(20,000)	-	-	(5,150)	(20,000)
Reclass foundations	-	-	-	-	-	-	-	-
Reclass other direct	-	-	-	-	-	-	-	-
Reclass other indirect	-	-	-	-	-	-	-	-
Total reclassification of net assets	(2,746,454)	(3,175,330)	(5,150)	(20,000)	-	-	(2,751,604)	(3,195,330)
Total support and revenue	(4,554)	(428,876)	38,333	(20,120)	6,880	-	40,659	(448,996)
Increase (decrease) in temporarily restricted net assets	(4,554)	(428,876)	38,333	(20,120)	6,880	-	40,659	(448,996)

The accompanying notes are an integral part of these financial statements

UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA
STATEMENTS OF CHANGES IN NET ASSETS (Continued)
Years Ended December 31, 2011 and 2010

Changes in Permanently Restricted Net Assets	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2011	2010	2011	2010	2011	2010	2011	2010
Direct support								
Other direct support	-	-	-	-	33,516	228,695	33,516	228,695
Total direct support	-	-	-	-	33,516	228,695	33,516	228,695
Indirect support	-	-	-	-	-	-	-	-
Revenue	-	-	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-
Total reclassification of net assets	-	-	-	-	-	-	-	-
Total support and revenue	-	-	-	-	33,516	228,695	33,516	228,695
Increase (decrease) in permanently restricted net assets	-	-	-	-	33,516	228,695	33,516	228,695
Increase (decrease) in total net assets	145,445	(299,411)	857,072	(410,098)	(106,904)	361,537	895,612	(347,973)
Net assets, beginning of year								
Unrestricted net assets	(705,973)	(771,149)	8,087,425	8,345,456	685,296	620,112	8,066,749	8,194,419
Temporarily restricted net assets	2,746,454	3,175,330	51,090	71,210	-	-	2,797,544	3,246,540
Permanently restricted net assets	-	-	124,500	124,500	2,439,045	2,210,350	2,563,545	2,334,850
Total net assets, beginning of year	2,040,481	2,404,181	8,263,016	8,541,166	3,124,341	2,830,461	13,427,838	13,775,808
Transfers	(175,367)	(64,289)	175,367	131,947	-	(67,658)	-	-
Adjustments to net assets								
Unrestricted adjustments	-	-	-	-	-	-	-	-
Temporarily restricted adjustments	-	-	-	-	-	-	-	-
Permanently restricted adjustments	-	-	-	-	-	-	-	-
Total adjustments to net assets	-	-	-	-	-	-	-	-
Net assets, end of year								
Unrestricted net assets	(731,341)	(705,973)	9,081,531	8,087,425	537,996	685,296	8,888,186	8,066,748
Temporarily restricted net assets	2,741,900	2,746,454	89,423	51,090	6,880	-	2,838,203	2,797,544
Permanently restricted net assets	-	-	124,500	124,500	2,472,561	2,439,045	2,597,061	2,563,545
Total net assets, end of year	<u>\$ 2,010,559</u>	<u>\$ 2,040,481</u>	<u>\$ 9,295,454</u>	<u>\$ 8,263,015</u>	<u>\$ 3,017,437</u>	<u>\$ 3,124,341</u>	<u>\$ 14,323,450</u>	<u>\$ 13,427,837</u>

The accompanying notes are an integral part of these financial statements

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2011 and 2010

Expenses	Support Services									
	Program Service		Management and General		Fundraising		Total Support Services		Total Expenses	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Employee compensation										
Salaries	\$ 2,265,926	\$ 2,278,484	\$ 588,417	\$ 602,628	\$ 204,667	\$ 209,610	\$ 793,084	\$ 812,238	\$ 3,059,010	\$ 3,090,722
Employee benefits	356,807	345,501	112,375	109,014	39,087	37,918	151,462	146,932	508,269	492,433
Payroll taxes	210,696	195,688	50,079	49,783	17,419	17,316	67,498	67,099	278,194	262,787
Employee related expenses	758	1,996	253	665	88	231	341	896	1,099	2,892
Total employee compensation	2,834,187	2,821,669	751,124	762,090	261,261	265,075	1,012,385	1,027,165	3,846,572	3,848,834
Other expenses										
Professional fees	63,597	54,675	40,129	22,904	3,849	2,861	43,978	25,765	107,575	80,440
Supplies	1,358,762	1,989,190	11,138	8,273	11,073	4,257	22,211	12,530	1,380,973	2,001,720
Telephone	62,770	62,353	17,385	17,482	6,047	6,081	23,432	23,563	86,202	85,916
Postage and shipping	38,630	58,960	11,267	11,454	9,365	6,751	20,632	18,205	59,262	77,165
Occupancy	396,673	343,897	33,659	32,982	11,708	11,472	45,367	44,454	442,040	388,351
Rent and maintenance of equipment	119,813	83,055	9,860	9,485	3,430	3,299	13,290	12,784	133,103	95,839
Printing and publications	22,968	20,772	1,367	351	7,520	14,429	8,887	14,780	31,855	35,552
Travel	201,817	1,088,294	30,899	35,645	10,747	12,398	41,646	48,043	243,463	1,136,337
Conferences and meetings	47,816	39,843	5,431	8,604	1,889	2,993	7,320	11,597	55,136	51,439
Specific assistance to individuals	(20)	-	-	-	-	-	-	-	(20)	-
Recognition awards	42,835	35,537	573	1,424	17,744	46,069	18,317	47,493	61,152	83,030
Interest Expense	3,211	1,203	1,070	401	372	139	1,442	540	4,653	1,743
Insurance	99,670	98,955	32,958	32,985	11,464	11,473	44,422	44,458	144,092	143,413
Other expenses	79,560	114,068	26,375	38,011	12,182	19,052	38,557	57,063	118,117	171,131
Total other expenses	2,538,103	3,990,803	222,111	220,001	107,391	141,275	329,501	361,276	2,867,603	4,352,079
Expenses before depreciation	5,372,290	6,812,472	973,234	982,090	368,652	406,350	1,341,886	1,388,441	6,714,176	8,200,912
Depreciation of buildings and equipment	369,154	373,496	123,051	124,499	42,800	43,304	165,851	167,803	535,005	541,300
Total functional expenses	<u>\$ 5,741,444</u>	<u>\$ 7,185,968</u>	<u>\$ 1,096,285</u>	<u>\$ 1,106,589</u>	<u>\$ 411,452</u>	<u>\$ 449,654</u>	<u>\$ 1,507,736</u>	<u>\$ 1,556,243</u>	<u>\$ 7,249,181</u>	<u>\$ 8,742,211</u>
Functional expense percentages	79.20%	82.20%	15.12%	12.66%	5.68%	5.14%			100.00%	100.00%

The accompanying notes are an integral part of these financial statements

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2011 and 2010

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2011	2010	2011	2010	2011	2010	2011	2010
Cash Flows from Operations								
Increase (decrease) total net assets	\$ 145,445	\$ (299,411)	\$ 857,072	\$ (410,098)	\$ (106,904)	\$ 361,537	\$ 895,612	\$ (347,973)
Adjustments to net assets to reconcile cash flows								
Depreciation	-	-	535,005	541,298	-	-	535,005	541,298
Noncash contributions of assets	-	-	(26,391)	(6,000)	-	-	(26,391)	(6,000)
Accounts receivable	(5,872)	7,905	(349)	550	-	-	(6,222)	8,454
Pledges receivable	109,977	168,627	(95,450)	70	(10,753)	2,809	3,774	171,507
Inventory	(20,866)	23,764	-	-	-	-	(20,866)	23,764
Deferred expense-activities	-	-	-	-	-	-	-	-
Prepaid expenses	(40,537)	426,416	-	-	-	-	(40,537)	426,417
Accounts payable	(22,763)	(102,477)	5,787	-	(71)	(1,287)	(17,047)	(103,765)
Payroll taxes	314	(29,944)	-	-	-	-	314	(29,944)
Custodian accounts	87,086	(318,133)	-	-	-	-	87,087	(318,134)
Deferred activities income	46,439	44,564	-	-	-	-	46,439	44,564
Deferred camp income	20,913	(43,605)	-	-	-	-	20,913	(43,605)
Deferred other income	(3,070)	(812,093)	-	-	-	-	(3,070)	(812,093)
Other current liabilities	20	(151)	-	-	-	-	21	(152)
Transfers	(175,367)	(64,289)	175,367	131,947	-	(67,658)	-	-
Net unrealized (gain) loss on investments	-	-	-	-	187,104	(32,700)	187,104	(32,700)
Net realized (gain) loss on investments	(36,122)	(55,202)	-	-	(41,746)	(101,098)	(77,868)	(156,300)
Net (gain)loss on sale of property and equipment	-	-	(540)	(1,150)	-	-	(540)	(1,150)
Total adjustments	(39,848)	(754,618)	593,429	666,715	134,534	(199,934)	688,116	(287,839)
Net cash flows from operations	105,597	(1,054,029)	1,450,501	256,617	27,630	161,603	1,583,728	(635,812)
Cash Flows from Investing Activities								
Acquisition of property and equipment	-	-	(1,210,010)	(323,376)	-	-	(1,210,010)	(323,376)
Proceeds from sale of property and equipment	-	-	540	1,150	-	-	540	1,150
Net change in investments and noncurrent receivables	36,122	55,202	-	-	(60,433)	69,020	(24,311)	124,222
Net cash flows from investing activities	36,122	55,202	(1,209,470)	(322,226)	(60,433)	69,020	(1,233,781)	(198,004)
Cash Flows from Financing Activities								
Interfund loan	-	59,396	51,719	28,647	(51,719)	(88,043)	-	-
Net cash flows from financing activities	-	59,396	51,719	28,647	(51,719)	(88,043)	-	-
Net increase (decrease) in cash flows	141,719	(939,431)	292,750	(36,962)	(84,522)	142,580	349,947	(833,813)
Cash at the beginning of the year	1,630,353	2,569,784	35,332	72,294	179,837	37,257	1,845,522	2,679,335
Cash at the end of the year	<u>\$ 1,772,072</u>	<u>\$ 1,630,353</u>	<u>\$ 328,082</u>	<u>\$ 35,332</u>	<u>\$ 95,315</u>	<u>\$ 179,837</u>	<u>\$ 2,195,469</u>	<u>\$ 1,845,522</u>

Supplemental Disclosure:

Noncash additions to property and equipment for 2011 and 2010, respectively, include various donated materials and services totaling \$26,391 and \$6,000.

The Council sold property with a net book value of \$0 (\$20,400 accumulated depreciation) resulting in a gain/loss of \$540 in 2011 and a net book value of \$0 (\$10,000 accumulated depreciation) resulting in a gain of \$1,150 in 2010

For 2011 and 2010, respectively, the net unrealized gain (loss) on investments of \$(187,104) and \$32,700 is included in the endowment fund.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA NOTES TO FINANCIAL STATEMENTS

Note 1. Entity and Summary of Significant Accounting Policies

Entity – Utah National Parks Council Boy Scouts of America is a non-profit organization formed in 1921 to instill values in young people and in other ways prepare them to make ethical choices over their lifetime in achieving their full potential. The Council helps to accomplish this goal by providing outstanding leadership, training, programs, and activities for the young men. The Council serves young men in the area from North Central Utah to Southern Utah. Contributions are used for service to young men ages 7-21 and young women ages 14-21 in 19 counties of the state of Utah. The mission of the Boy Scouts of America is to prepare young people to make ethical and moral choices over their lifetimes by instilling in them the values of the Scout Oath and Law.

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization whereby only unrelated business income, as defined by section 509(a)(1) of the Code, is subject to federal income tax. The Council currently has no unrelated business income for the years ended December 31, 2011 and 2010, and accordingly, has not recorded any provision for income taxes.

The Organization adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* [“FIN 48”]) on January 1, 2009. Accordingly, an organization must recognize the tax benefit associated with expenses taken for tax return purposes when it is more likely than not the position will be sustained. The Organization does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. For the years ended December 31, 2011 and 2010, there were no interest or penalties recorded or included in these financial statements.

Date of Management’s Review – In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through May 16, 2012, the date the financial statements were available to be issued.

Fund Accounting and Financial Statement Presentation – To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

The Organization also prepares financial statements in accordance with the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations (ASC 958-205 and subsections). Under these standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA NOTES TO FINANCIAL STATEMENTS

Note 1. Entity and Summary of Significant Accounting Policies (Continued)

Public Support and Revenue – Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. The majority of the promises to give are received from North Central and Southern Utah contributors as a result of the annual campaign. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

Contributions of cash and other assets are reported as temporarily restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Other gifts of long-lived assets shall be reported as unrestricted support in the absence of donor-imposed restrictions on the use of the asset.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets and are available for use by the Council. Some endowment fund earnings are reported in the operating fund (see spending policy on the following pages).

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Some members of the Council have donated significant amounts of time to the Council in furthering the Organization's programs and objectives. No amounts have been included in the financial statements for donated member or volunteer services since they did not meet the criteria for recognition under accounting standards.

Although restricted contributions typically are reported as support that increases restricted net assets, the Council shows restricted contributions, gains, and investment income whose restrictions are met in the same reporting period as unrestricted support.

Accounting Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA

NOTES TO FINANCIAL STATEMENTS

Note 1. Entity and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents – The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents (See also note 2).

Investments – The Council has adopted the provisions of FASB ASC 958-320-25 (formerly SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*.) Accordingly, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Board Spending Policy – The Council has a board approved total return spending policy that allows the operating fund to receive and recognize investment earnings originating from the endowment fund. For the years ending December 31, 2011 and 2010, the board approved spending policy was 5% of the market value of the trust investments as the average of the 36 months ending in June of the prior year.

Land, Buildings, and Equipment – Land, buildings, and equipment are recorded at cost. Donated land, buildings, and equipment are recorded at the approximate fair market value of the asset on the date of donation. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The Council capitalizes items over \$2,000 with a useful life greater than one year.

Construction-in-progress represents cost incurred on the construction of assets that have not been completed or placed in service as of the end of the year.

Inventories – Inventories are carried at average cost. Inventories consist of awards, clothing, camping, activity, and other supplies for sale.

Deferred Revenues and Expenses – Deferred revenues and expenses include items that have not been earned or incurred as of the balance sheet date, but that are expected to be recognized as revenue and expenses in the subsequent period.

Functional Expenses – Expenses are charged directly to program, management, or fundraising, in general categories based on specific identification. Indirect expenses have been allocated based on time charged and salary expenditures.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 2. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at fair value in the Statement of Financial Position. The valuation inputs (methods used for measuring fair value) in regards to the fair value hierarchy of ASC 820-10 are deemed to be level 1 for the securities and level 2 for the REITs. Investments as of December 31, 2011 and 2010, are as follows:

	December 31, 2011			
	Operating Fund	Capital Fund	Endowment Fund	Total
Securities (debt and equity)	\$ -	\$ -	\$ 943,742	\$ 943,742
REITs	-	-	1,400,000	1,400,000
*Other	-	-	75,420	75,420
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,419,162</u>	<u>\$ 2,419,162</u>
Short-term investments	\$ -	\$ -	\$ 55,321	\$ 55,321
Long-term investments	-	-	2,363,841	\$ 2,363,841
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,419,162</u>	<u>\$ 2,419,162</u>
	December 31, 2010			
	Operating Fund	Capital Fund	Endowment Fund	Total
Securities (debt and equity)	\$ -	\$ -	\$ 1,101,031	\$ 1,101,031
REITs	-	-	1,400,000	1,400,000
*Other	-	-	12,797	12,797
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,513,828</u>	<u>\$ 2,513,828</u>
Short-term investments	\$ -	\$ -	\$ 182,080	\$ 182,080
Long-term investments	-	-	2,331,748	\$ 2,331,748
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,513,828</u>	<u>\$ 2,513,828</u>

*The Other category consists primarily of cash and cash equivalents associated with investments held by brokerage firms.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 3. Land, Building and Equipment

Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. At December 31, 2011 and 2010, the costs of such assets were as follows:

	2011	2010
Land	\$ 975,924	\$ 975,924
Buildings and improvements	11,523,911	11,450,197
Equipment	902,072	874,995
Construction in progress	2,497,866	1,382,652
Total cost	15,899,773	14,683,768
Less accumulated depreciation	5,505,590	4,990,981
Net	<u>\$ 10,394,183</u>	<u>\$ 9,692,787</u>

Note 4. Retirement Plans

Defined Benefit Plan – The Boy Scouts of America has a defined benefit multiemployer retirement plan that covers eligible employees of the National Council and this Council, and is administered by the National Council. The Council acts as an agent for the Plan in remitting contributions. Eligible employees contribute 2 percent of compensation and the Council contributes an additional 6.75 percent to the Plan. All full-time employees are eligible to participate after one year of employment. The Council has no liability to pay retirement benefits should the Plan fail.

As the Plan is a multi-employer plan, the individual information for each employer is not available. The actuarial information for the multi-employer plan as of February 1, 2011, indicated that it is in compliance with ERISA regulations regarding funding. The assumed rate of return used in determining actuarial present values of accumulated benefits was 7.75 percent. The actuarial information stated that there was a change from the prior year in actuarial assumptions, cost method, treatment of actuarial gains and losses, and amortization of past or prior service costs. In 2011, the unit credit method, as required under the Pension Protection Act of 2006, is used in the actuarial valuation; amortization of gains and losses is over seven years; and the amortization of past or prior service cost is seven years. The actuarial valuation includes all Plan amendments as of February 1, 2011.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 4. Retirement Plans (Continued)

The following is a summary of the required contribution rates, covered salaries, and Council contributions for the years ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Employee's portion	2.0%	2.0%
Employer's portion	<u>6.75%</u>	<u>6.5%</u>
Total	<u>8.75%</u>	<u>8.5%</u>
Salaries	<u>\$ 2,133,224</u>	<u>\$ 2,180,450</u>
Employee contributions	\$ 42,664	\$ 43,609
Employer matching contributions	<u>143,992</u>	<u>141,754</u>
Total contributions	<u>\$ 186,656</u>	<u>\$ 185,363</u>

The contributions by the Council for 2011 and 2010 were paid by the due dates or within 30 days thereafter.

The Council's total payroll for 2011 and 2010 for all employees was \$3,059,009 and \$3,090,721.

The pension benefit obligation (or actuarial present value of credited accumulated benefits) is a standardized measure intended to convey the estimated obligation to provide benefits based on employee service to date. The measure helps the user to assess the funding status and progress made in accumulating sufficient assets to pay benefits when due.

The benefit formula is based on years of service and the highest three year's salaries of the last five years. The Plan is integrated with social security. The assets of the Plan are held in a master trust and are managed by professional money managers. The primary investments are in stocks, bonds, and other securities.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 4. Retirement Plans (Continued)

The following is a summary presenting the actuarial present values of credited accumulated benefits and the net assets available for benefits in the Plan as of December 31, 2011 and 2010, in which the Council participates:

Plan	Actuarial Present Value of Accumulated Projected Benefits		Book Value of Net Assets Available
	Non-Vested	Vested	
Boy Scouts of America Retirement Plan for Employees			
December 31, 2011	\$42,712,792	\$ 845,549,204	\$ 917,750,123
December 31, 2010	\$38,573,982	\$ 810,516,397	\$ 817,010,082

The Plan issues its own component unit financial report with a fiscal year end of January 31st. Such reports contain employee benefit provisions and ten-year historical trend data. A copy of the annual report for the Plan may be obtained from Plan Administrator, 1325 West Walnut Hill Lane, P.O. Box 152079, Irving, Texas 75015.

Defined Contribution Plan – Employees who are participating in the retirement plan are also eligible for a tax sheltered annuity program sponsored by Boy Scouts of America. Employees have a choice of several plans available. The eligible employees can contribute up to a maximum of 20% of their salary to an individual retirement annuity.

Note 5. Long-Term Investments

Investments in the endowment fund and other funds which will be held for an undetermined length of time are treated as long-term investments.

Note 6. Nonmonetary Transactions

The Council received donations of materials and services for construction projects that have been recorded at various camps. These donations are recorded at their estimated value. The amount of these donations in the capital fund for 2011 and 2010 is \$26,391 and \$6,000. The operations fund also received noncash donations in 2011 and 2010 of \$26,630 and \$13,249.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 7. Leases or Rent

The Council has entered a number of leases for its various shops and camps. Following are the more significant agreements:

St. George Scout Shop and office – \$30,000 annually (Lease is renewed on an annual basis).

Ephraim Scout Shop – \$7,200 annually (lease is renewed on an annual basis).

Beaver High Adventure Base – \$11,700 annually to the State of Utah (for up to 99 years.)

Schedule of Lease Payments – The estimated amount of lease and rent payments for the subsequent five years is as follows:

2012	\$ 74,564
2013	74,564
2014	74,564
2015	74,564
2016	<u>74,564</u>
Total	<u>\$ 372,820</u>

Total rent and lease expense for 2011 and 2010 is \$82,123 and \$73,139.

Note 8. Line of Credit

On July 26, 2010, the Council entered into a line of credit agreement with a bank which allows the Council to borrow up to \$1,000,000. The agreement is reviewed for renewal annually on July 31. The line of credit is collateralized by the Council Service Center at 748 N. 1340 W. Orem UT, has an interest rate of Zions Prime Rate plus 0.5%, and had a balance of \$0 at December 31, 2011.

Note 9. Concentrations of Credit Risk

Financial instruments that potentially subject the Council to credit risk consist principally of cash at financial institutions and investments. At times, including as of December 31, 2011 and 2010, the balances in cash accounts exceed FDIC insurance limits.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 10. Investment Income, Gains and Losses

The following schedule summarizes the investment return in the Statement of Changes in Net Assets for the years ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 106,706	\$ 72,563
Net gain (loss) on investments*	<u>(109,235)</u>	<u>189,000</u>
	<u>\$ (2,529)</u>	<u>\$ 261,563</u>

*Investment expenses for 2011 and 2010 are \$10,467 and \$12,114 and are included with the net gain (loss) on investments.

The above investment return is all classified in the Statement of Changes in Net Assets as follows:

	<u>2011</u>	<u>2010</u>
Unrestricted	\$ (9,409)	\$ 261,563
Temporarily-restricted	<u>6,880</u>	<u>-</u>
	<u>\$ (2,529)</u>	<u>\$ 261,563</u>

Note 11. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at December 31, 2011 and 2010.

	<u>December 31, 2011</u>		
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>
Contributions made for future years' operations	\$ 2,741,901	\$ -	\$ -
Office building and camp development	-	89,423	-
Camp maintenance	<u>-</u>	<u>-</u>	<u>6,880</u>
	<u>\$ 2,741,901</u>	<u>\$ 89,423</u>	<u>\$ 6,880</u>

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 11. Temporarily Restricted Net Assets

	<u>December 31, 2010</u>	
	<u>Operating Fund</u>	<u>Capital Fund</u>
Contributions made for future years' operations	\$ 2,746,454	\$ -
Office building and camp development	-	51,090
	<u>\$ 2,746,454</u>	<u>\$ 51,090</u>

Note 12. Permanently Restricted Net Assets

	<u>December 31, 2011</u>	
	<u>Capital Fund</u>	<u>Endowment Fund</u>
Permanently restricted net assets include land restricted for use as:		
Scout Camp	\$ 124,500	\$ -
Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support:		
General operations	-	2,472,561
	<u>\$ 124,500</u>	<u>\$ 2,472,561</u>

	<u>December 31, 2010</u>	
	<u>Capital Fund</u>	<u>Endowment Fund</u>
Permanently restricted net assets include land restricted for use as:		
Scout Camp	\$ 124,500	\$ -
Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support:		
General operations	-	2,439,045
	<u>\$ 124,500</u>	<u>\$ 2,439,045</u>

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 13. Promises to Give

Unconditional promises to give at December 31, 2011 and 2010, are as follows:

	<u>2011</u>	<u>2010</u>
Pledges due in less than one year	\$ 445,140	\$ 460,058
Pledges due in one to five years	10,000	10,000
Pledges expected in over five years	<u>362,371</u>	<u>354,308</u>
Total pledges receivable, gross	817,511	824,366
Less: allowance for uncollectables	(144,258)	(144,550)
Less: provision for discounting future value*	<u>(300,709)</u>	<u>(303,499)</u>
Total pledges receivable, net	<u>\$ 372,544</u>	<u>\$ 376,317</u>
Net current portion	\$ 300,882	\$ 315,508
Net noncurrent portion	<u>71,662</u>	<u>60,809</u>
Total pledges receivable, net	<u>\$ 372,544</u>	<u>\$ 376,317</u>

*A rate of six percent is used to discount promises to give that are due or expected to be received in more than one year.

Note 14. Gift Annuities Receivable

The non-current accounts, notes and other receivable balances on the Statements of Financial Position of \$85,764 and \$76,024 at December 31, 2011 and 2010 consist of receivables relating to the Council's interest in gift annuities. These gift annuities are managed by the National Council and are valued at the present value for the net amount (after fees) the Council may expect to receive as of year-end. The present value is based on applicable mortality tables and current market conditions. The valuation inputs in regards to the fair value hierarchy of ASC 820-10 are deemed to be level 3 (significant unobservable inputs). For the years ending December 31, 2011 and 2010, the Council's receivable for gift annuity interests increased (decreased) by \$9,740 and (\$23,361) and these changes are included in the Statements of Changes in Net Assets.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 15. Gain on Disposal of Property and Equipment

For the year ended December 31, 2011, there was a net gain on the disposal of property and equipment of \$540, which is included as other revenue in the Statement of Changes in Net Assets. For the year ended December 31, 2010, there was a net gain on the disposal of property and equipment of \$1,150, which is included as other revenue in the Statement of Changes in Net Assets.

Note 16. Fair Value Measurement

Fair values of investment assets measured on a recurring basis at December 31, 2011 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
REITS Endowment	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
Securities Endowment	1,019,162	1,019,162	-	-
Total	<u>\$ 2,419,162</u>	<u>\$ 1,019,162</u>	<u>\$ 1,400,000</u>	<u>\$ -</u>

Fair values of investment assets measured on a recurring basis at December 31, 2010 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
REITS Endowment	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
Securities Endowment	1,113,828	1,113,828	-	-
Total	<u>\$ 2,513,828</u>	<u>\$ 1,113,828</u>	<u>\$ 1,400,000</u>	<u>\$ -</u>

During 2010, the Council moved a significant portion of its investments to REITs, which resulted in a transfer from Level 1 to Level 2. The REITs are valued at the price per share paid at the time of purchase, which is the most observable fair market value information available as of the date of this report.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA

NOTES TO FINANCIAL STATEMENTS

Note 17. Endowment

Utah National Parks Council's endowment includes both donor-restricted endowment and funds designated by the Board of Trustees to function as endowments. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by 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 Boy Scouts National Office 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 guidelines of the Investment Policy Statement 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:

- (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

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 17. Endowment (Continued)

Endowment net asset composition by type of fund as of December 31, 2011 and 2010 are as follows:

	December 31, 2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted in Endowment Fund	\$ -	\$ 6,880	\$ 2,472,561	\$ 2,479,441
Board-designated in Endowment Fund	537,996	-	-	537,996
Donor-restricted in Capital Fund	-	-	124,500	124,500
Total Funds	<u>\$ 537,996</u>	<u>\$ 6,880</u>	<u>\$ 2,597,061</u>	<u>\$ 3,141,937</u>

	December 31, 2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted in Endowment Fund	\$ -	\$ -	\$ 2,439,045	\$ 2,439,045
Board-designated in Endowment Fund	685,296	-	-	685,296
Donor-restricted in Capital Fund	-	-	124,500	124,500
Total Funds	<u>\$ 685,296</u>	<u>\$ -</u>	<u>\$ 2,563,545</u>	<u>\$ 3,248,841</u>

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA
NOTES TO FINANCIAL STATEMENTS

Note 17. Endowment (Continued)

Changes in endowment net assets for the years ended December 31, 2011 and 2010 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets, January 1, 2010	\$ 620,112	\$ -	\$ 2,210,350	\$ 2,830,462
Investment return:				
Investment income	123,147	-	-	123,147
Net realized and unrealized gains (losses)	133,798	-	-	133,798
Total investment return	256,945	-	-	256,945
Contributions	-	-	228,695	228,695
Appropriation of endowment assets for expenditure	(191,761)	-	-	(191,761)
Net Assets, December 31, 2010	<u>685,296</u>	<u>-</u>	<u>2,439,045</u>	<u>3,124,341</u>
Investment return:				
Investment income	96,753	6,880	-	103,633
Net realized and unrealized gains (losses)	(109,235)	-	-	(109,235)
Total investment return	(12,482)	6,880	-	(5,602)
Contributions	-	-	33,516	33,516
Appropriation of endowment assets for expenditure	(134,818)	-	-	(134,818)
Net Assets, December 31, 2011	<u>\$ 537,996</u>	<u>\$ 6,880</u>	<u>\$ 2,472,561</u>	<u>\$ 3,017,437</u>

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.

UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA

NOTES TO FINANCIAL STATEMENTS

Note 17. Endowment (Continued)

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 organization 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 5% 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 asset classes as a guide. Actual returns in any given year may vary from this amount.

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 objective relate to spending policy – The council has a board approved total return spending policy that allows the operating fund to receive and recognize investment earnings originating from the endowment funds. As of December 31, 2011 and 2010, the Board's approved spending policy was to distribute the unrestricted dividend and interest and releases on temporarily restricted dividend and interest earned on endowment assets during the year, which was \$132,875 and \$123,147. This is consistent with the organization'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.

Note 18. Contingencies

The Council is involved with two matters of litigation; however, the outcome of any pending or threatened litigation is unknown and cannot be estimated as of the date of this report. Management also believes any final outcome these matters will not have a material adverse effect on the financial position of the Council.