

GIRL SCOUTS OF NASSAU COUNTY, INC.
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2010 AND 2009
TOGETHER WITH AUDITORS' REPORT

GIRL SCOUTS OF NASSAU COUNTY, INC.
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2010 AND 2009

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Nawrocki Smith LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Girl Scouts of Nassau County, Inc.:

We have audited the accompanying statements of financial position of the Girl Scouts of Nassau County, Inc. (the "Girl Scouts") as of December 31, 2010 and 2009, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Girl Scouts' management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior-year summarized comparative information has been derived from the Girl Scouts' December 31, 2009 financial statements and, in our report dated April 1, 2010, we expressed an unqualified opinion on those financial statements.

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 audits 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 audits provide 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 Girl Scouts of Nassau County, Inc. as of December 31, 2010 and 2009 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

March 23, 2011
Melville, New York

Nawrocki Smith LLP

GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

ASSETS

| | 2010 | 2009 |
|---|---------------|---------------|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 1,751,648 | \$ 1,602,195 |
| Investments | 18,936,297 | 18,242,803 |
| Accounts receivable | 118,360 | 266,145 |
| Materials for sale or use | 109,548 | 129,146 |
| Prepaid expenses | 18,414 | 27,496 |
| Total current assets | 20,934,267 | 20,267,785 |
| FIXED ASSETS, at cost, net of accumulated depreciation of \$6,437,329 and \$6,089,673 in 2010 and 2009 | 2,533,891 | 2,800,342 |
| | \$ 23,468,158 | \$ 23,068,127 |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|---------------|---------------|
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 235,423 | \$ 414,378 |
| Other liabilities | 89,384 | 67,891 |
| Total current liabilities | 324,807 | 482,269 |
| NET ASSETS: | | |
| Unrestricted: | | |
| General Fund | 627,333 | 866,830 |
| Land, Building & Equipment | 2,533,891 | 2,800,342 |
| Board Endowment Fund | 7,046,206 | 6,803,614 |
| Capital Fund | 5,041,680 | 4,852,687 |
| New Directions Fund | 7,818,220 | 7,185,548 |
| Total unrestricted | 23,067,330 | 22,509,021 |
| Temporarily restricted | 22,926 | 23,742 |
| Permanently restricted | 53,095 | 53,095 |
| Total net assets | 23,143,351 | 22,585,858 |
| | \$ 23,468,158 | \$ 23,068,127 |

The accompanying notes to financial statements are an
integral part of these statements.

GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Totals for 2009)

| | General Fund | Unrestricted | | | New Directions Fund | Temporarily Restricted Donor Fund | Temporarily Restricted Donor Fund | Total All Funds |
|---|--------------|----------------------------|----------------------|--------------|---------------------|-----------------------------------|-----------------------------------|-----------------|
| | | Land, Building & Equipment | Board Endowment Fund | Capital Fund | | | | |
| PUBLIC SUPPORT AND REVENUES: | | | | | | | | |
| Public support: | | | | | | | | |
| Foundations, trusts and other grants | \$ 118,418 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 118,418 | \$ 110,780 |
| Annual giving | 239,223 | - | - | - | - | - | 239,223 | 294,401 |
| Allocations from United Way and community chests | 34,017 | - | - | - | - | - | 34,017 | 35,019 |
| Special fundraising events, net of direct costs of \$47,335 | 102,716 | - | - | - | - | - | 102,716 | 106,151 |
| Total public support | 494,374 | - | - | - | - | - | 494,374 | 546,351 |
| Revenues: | | | | | | | | |
| Cookie and fall product sales, net of direct costs of \$2,115,918 | 2,747,606 | - | - | - | - | - | 2,747,606 | 2,716,039 |
| Program service fees | 558,679 | - | - | - | - | - | 558,679 | 544,753 |
| Sale of supplies and services, net of costs of \$358,357 | 222,313 | - | - | - | - | - | 222,313 | 220,661 |
| Investment income (loss), net | 3,013 | - | 337,454 | 249,699 | 296,845 | 185 | 887,196 | (33,774) |
| Unrealized gain on investments held, net | 12,371 | - | 55,138 | 18,419 | 495,827 | - | 581,755 | 2,196,309 |
| Site use fees | 18,000 | - | - | - | - | - | 18,000 | 5,175 |
| Other | 3,309 | - | - | - | - | - | 3,309 | 1,964 |
| Total revenues | 3,565,291 | - | 392,592 | 268,118 | 792,672 | 185 | 5,018,858 | 5,651,127 |
| Total public support and revenues | \$ 4,059,665 | \$ - | \$ 392,592 | \$ 268,118 | \$ 792,672 | \$ 185 | \$ 5,513,232 | \$ 6,197,478 |

GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Totals for 2009)

| | Unrestricted | | | Temporarily Restricted Donor Restricted Fund | Permanently Restricted Donor Restricted Fund | Total All Funds | |
|--|--------------|----------------------------|----------------------|--|--|-----------------|---------------------|
| | General Fund | Land, Building & Equipment | Board Endowment Fund | | | Capital Fund | New Directions Fund |
| EXPENSES: | | | | | | | |
| Program services | \$ 3,585,695 | \$ 326,712 | \$ - | \$ - | \$ 1,001 | \$ - | \$ 3,913,408 |
| Supporting services | 1,021,387 | 20,944 | - | - | - | - | 1,042,331 |
| Total expenses | 4,607,082 | 347,656 | - | - | 1,001 | - | 4,955,739 |
| Excess (deficiency) of public support and revenues over (under) expenses | (547,417) | (347,656) | 392,592 | 268,118 | 792,672 | (816) | 557,493 |
| OTHER CHANGES IN NET ASSETS: | | | | | | | |
| Net transfers among net assets | 307,920 | 81,205 | (150,000) | (79,125) | (160,000) | - | - |
| Change in net assets | (239,497) | (266,451) | 242,592 | 188,993 | 632,672 | (816) | 557,493 |
| NET ASSETS, BEGINNING OF YEAR | 866,830 | 2,800,342 | 6,803,614 | 4,852,687 | 7,185,548 | 23,742 | 22,585,858 |
| NET ASSETS, END OF YEAR | \$ 627,333 | \$ 2,533,891 | \$ 7,046,206 | \$ 5,041,680 | \$ 7,818,220 | \$ 22,926 | \$ 23,143,351 |
| | | | | | | | \$ 22,585,858 |

The accompanying notes to financial statements are an integral part of these statements.

GIRL SCOUTS OF NASSAU COUNTY, INC.
STATEMENTS OF CASH FLOWS (INDIRECT METHOD)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

| | TOTAL ALL FUNDS | |
|---|-----------------|--------------|
| | 2010 | 2009 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 557,493 | \$ 1,347,526 |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | |
| Depreciation | 347,656 | 341,747 |
| Unrealized gain on investments | (581,755) | (2,196,309) |
| Net (increase) decrease in accounts receivable | 147,785 | (153,941) |
| Net (increase) decrease in prepaid expenses | 9,082 | (581) |
| Net (increase) decrease in materials for sale | 19,598 | (713) |
| Net decrease in accounts payable and accrued expenses | (649,801) | (29,332) |
| Net increase (decrease) in other liabilities | (21,493) | 6,229 |
| | (171,435) | (685,374) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets | (81,205) | (229,119) |
| Purchase of investments | (7,997,419) | (11,896,081) |
| Sale of investments | 8,399,512 | 12,414,772 |
| | 320,888 | 289,572 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 149,453 | (395,802) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 1,602,195 | 1,997,997 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$1,751,648 | \$ 1,602,195 |

The accompanying notes to financial statements
are an integral part of these statements.

GIRL SCOUTS OF NASSAU COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS

(1) Organization And Purpose

The Girl Scouts of Nassau County, Inc. (the "Girl Scouts") is a not-for-profit organization which was founded and incorporated under the laws of the State of New York in 1965. Girl Scouting builds girls of courage, confidence and character, who make the world a better place.

(2) Summary Of Significant Accounting Policies

The accompanying financial statements include the assets, liabilities, revenues and expenses of all the funds of the Girl Scouts of Nassau County, Inc. The following is a summary of significant accounting policies followed by the Girl Scouts:

Financial Statement Presentation

The accompanying financial statements are presented under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, and include the accounts of the Girl Scouts' programs, administration and fundraising. U.S. generally accepted accounting principles require that the Girl Scouts' financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets and changes in net assets. The Girl Scouts' net assets consist of the following:

Unrestricted - net assets of the Girl Scouts which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Girl Scouts.

Temporarily restricted - net assets of the Girl Scouts which have been limited by donor-imposed stipulations or by law that either expire with the passage of time or can be fulfilled and removed by the actions of the Girl Scouts pursuant to those stipulations.

Permanently restricted - net assets of the Girl Scouts which have been restricted by donors to be maintained in perpetuity by the Girl Scouts.

The Girl Scouts follows U.S. generally accepted accounting principles regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and Enhanced Disclosures for All Endowment Funds which require a portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets to be classified as temporarily restricted net assets until appropriated for expenditure.

Cash And Cash Equivalents

All highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents for financial statement purposes.

Investments

Investments are recorded at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification on fair value measurements also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows

- Level 1 inputs are quoted prices (unadjusted) in markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Fixed Assets

Fixed assets consist of land, buildings and equipment which include the main administrative facilities and campsite. Such fixed assets are included in the accompanying financial statements at cost, or if acquired by gift, at the approximate market value at the date of gift.

Depreciation is recorded on the straight-line method over the estimated useful lives of the assets (generally periods of five to forty-five years).

Impairment Of Long-Lived Assets And Long-Lived Assets To Be Disposed Of

The Girl Scouts follow the provisions of the FASB Accounting Standards Codification on accounting for the impairment of disposal of long-lived assets. It requires that long-lived assets and certain identifiable intangibles be 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 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. These provisions did not have a material impact on the Girl Scouts’ financial position, results of activities or liquidity during the years ended December 31, 2010 and 2009.

Conditional Asset Retirement Obligations

The FASB Accounting Standards Codification on asset retirement and environmental obligations requires the Girl Scouts to recognize the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2010, the Girl Scouts have met the provisions of and are in compliance with these requirements.

Income Taxes

The Girl Scouts qualify as a tax exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. Accordingly, no provision for federal or state income taxes is required.

Revenue and Expense Recognition

Contributions are generally recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. Expenses are recognized as incurred.

Expenses are allocated into functional categories depending upon the ultimate purpose of the expenditure.

Donated Services

A number of volunteers have donated significant amounts of their time in the Girl Scouts' program services, supporting services and in fundraising campaigns. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying financial statements.

The Use Of Estimates In The Preparation Of Financial Statements

The preparation of financial statements in conformity with U.S. 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 amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

(3) Cash And Cash Equivalents

Cash and cash equivalents as of December 31, 2010 and 2009 consist of the following:

| | <u>2010</u> | <u>2009</u> |
|---|--------------------|--------------------|
| Cash in banks and on hand | \$1,702,534 | \$1,053,682 |
| Time deposits and money market funds | <u>49,114</u> | <u>548,513</u> |
| | <u>\$1,751,648</u> | <u>\$1,602,195</u> |

(4) **Investments**

Investments as of December 31, 2010 and 2009 consist of the following:

| | <u>2010</u> | <u>2009</u> |
|-----------------------------|----------------------|----------------------|
| U.S. Government obligations | \$ 5,874,346 | \$ 5,074,660 |
| Corporate bonds | 6,668,690 | 7,484,398 |
| Common stock | 6,393,191 | 5,683,675 |
| Preferred stock | <u>70</u> | <u>70</u> |
| | <u>\$ 18,936,297</u> | <u>\$ 18,242,803</u> |

The following table represents the Girl Scouts fair value hierarchy for investments and other financial instruments at fair value as of December 31, 2010:

| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|-----------------------------|----------------------|----------------------|----------------|----------------|
| U.S. Government obligations | \$ 5,874,346 | \$ 5,874,346 | \$ - | \$ - |
| Corporate bonds | 6,668,690 | 6,668,690 | - | - |
| Common stock | 6,393,191 | 6,393,191 | - | - |
| Preferred stock | <u>70</u> | <u>70</u> | <u>-</u> | <u>-</u> |
| Total investments | <u>\$ 18,936,297</u> | <u>\$ 18,936,297</u> | <u>\$ -</u> | <u>\$ -</u> |

The following table represents the Girl Scouts fair value hierarchy for investments and other financial instruments at fair value as of December 31, 2009:

| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|-----------------------------|----------------------|----------------------|----------------|----------------|
| U.S. Government obligations | \$ 5,074,660 | \$ 5,074,660 | \$ - | \$ - |
| Corporate bonds | 7,484,398 | 7,484,398 | - | - |
| Common stock | 5,683,675 | 5,683,675 | - | - |
| Preferred stock | <u>70</u> | <u>70</u> | <u>-</u> | <u>-</u> |
| Total investments | <u>\$ 18,242,803</u> | <u>\$ 18,242,803</u> | <u>\$ -</u> | <u>\$ -</u> |

As of December 31, 2010 and 2009 the Girl Scouts do not possess any Level 2 or 3 type investments.

(5) **Fixed Assets**

Fixed assets as of December 31, 2010 and 2009 consist of the following:

| | <u>2010</u> | <u>2009</u> |
|--------------------------------|--------------------|--------------------|
| Land and land improvements | \$ 437,299 | \$ 437,299 |
| Buildings and improvements | 7,443,419 | 7,379,294 |
| Equipment | <u>1,090,502</u> | <u>1,073,422</u> |
| | 8,971,220 | 8,890,015 |
| Less: accumulated depreciation | <u>6,437,329</u> | <u>6,089,673</u> |
| | <u>\$2,533,891</u> | <u>\$2,800,342</u> |

(6) Board Endowment Funds

The Board of Directors has established three separate endowment funds to meet the objectives of the Girl Scouts. The investment policies adopted by the Board serve to protect the endowment investment principal, while obtaining a reasonable and competitive return on assets. All dividends and interest on endowment funds are currently appropriated for expenditure. A description of each fund is as follows:

Board Endowment Fund -

In 1995, the Board of Directors of the Girl Scouts authorized the Endowment Fund and the Facilities Development Fund to be combined into one fund, the "Endowment Fund".

Although this fund is not legally restricted, it may only be used at the discretion of the Board of Directors by specific resolution of such governing body. The purpose of this Fund is to enable the Girl Scouts to have another income source to fund operations on a planned, annual basis; and to preserve adequate, long-term cash reserves.

An analysis of changes to the Endowment Fund for the years 2010 and 2009 is as follows:

| | <u>2010</u> | <u>2009</u> |
|--|--------------------|---------------------|
| Interest and dividends | \$ 251,021 | \$ 255,424 |
| Realized gain (loss) on sale of securities | 119,958 | (190,081) |
| Unrealized gain on securities | 55,138 | 408,907 |
| Investment advisory fees | <u>(33,525)</u> | <u>(31,726)</u> |
| Net investment income | 392,592 | 442,524 |
| Transfer to General Fund | <u>(150,000)</u> | <u>(150,000)</u> |
| Change in net assets | 242,592 | 292,524 |
| Net assets, beginning of year | <u>6,803,614</u> | <u>6,511,090</u> |
| Net assets, end of year | <u>\$7,046,206</u> | <u>\$ 6,803,614</u> |

Capital Fund -

In 1996, the Board of Directors established the "Capital Fund". This fund was initially funded through the net proceeds provided from the sale of the Girl Scouts' Bethpage building on August 20, 1996 and the Westdale property on January 3, 1997. It is to be used to fund capital and related capital expenditures on a planned, annual basis, and to preserve adequate, long-term cash reserves.

An analysis of changes to the Capital Fund for the years 2010 and 2009 is as follows:

| | <u>2010</u> | <u>2009</u> |
|--|--------------------|--------------------|
| Interest and dividends | \$ 210,391 | \$ 215,298 |
| Realized gain (loss) on sale of securities | 64,607 | (213,770) |
| Unrealized gain on securities | 18,419 | 70,792 |
| Investment advisory fees | <u>(25,299)</u> | <u>(23,973)</u> |
| Net investment income | 268,118 | 48,347 |
| Transfer to General Fund | <u>(79,125)</u> | <u>(233,856)</u> |
| Change in net assets | 188,993 | (185,509) |
| Net assets, beginning of year | <u>4,852,687</u> | <u>5,038,196</u> |
| Net assets, end of year | <u>\$5,041,680</u> | <u>\$4,852,687</u> |

New Directions Fund -

In 2007, the Board of Directors established the “New Directions Fund”, which was funded through certain proceeds provided from the sale of the Girl Scouts’ Camp Tekakwitha. Initial transfers of \$5,000,000 were made to each of the Board Endowment Fund and the Capital Fund, with the balance to be used to fund new program initiatives and enhance current programs.

An analysis of changes to the New Directions Fund for 2010 and 2009 is as follows:

| | <u>2010</u> | <u>2009</u> |
|--|--------------------|---------------------|
| Interest and dividends | \$ 266,304 | \$ 273,911 |
| Realized gain (loss) on sale of securities | 61,511 | (293,683) |
| Unrealized gain on securities | 495,827 | 1,745,599 |
| Investment advisory fees | <u>(30,970)</u> | <u>(29,498)</u> |
| Net investment income | 792,672 | 1,696,329 |
| Transfer to General Fund | <u>(160,000)</u> | <u>(161,710)</u> |
| Change in net assets | 632,672 | 1,534,619 |
| Net assets, beginning of year | <u>7,185,548</u> | <u>5,650,929</u> |
| Net assets, end of year | <u>\$7,818,220</u> | <u>\$ 7,185,548</u> |

(7) **Restricted Net Assets**

Certain details with respect to restricted net assets at December 31, 2010 and 2009 are summarized as follows:

| | <u>2010</u> | <u>2009</u> |
|---|------------------|------------------|
| Temporarily restricted net assets: | | |
| Financial assistance | \$ 12,927 | \$ 13,204 |
| Disabilities projects | 9,644 | 10,208 |
| Adult recognition | <u>355</u> | <u>330</u> |
| Total temporarily restricted net assets | <u>22,926</u> | <u>23,742</u> |
| Permanently restricted net assets with investment income earned thereon restricted for: | | |
| Financial assistance | 43,095 | 43,095 |
| Adult recognition | <u>10,000</u> | <u>10,000</u> |
| Total permanently restricted net assets | <u>53,095</u> | <u>53,095</u> |
| Total restricted net assets | <u>\$ 76,021</u> | <u>\$ 76,837</u> |

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 law require the Girl Scouts to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2010 and 2009.

The Girl Scouts have 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 protect the original value of the gift.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Girl Scouts classify 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.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

Changes in endowment net assets for the years ended December 31, 2010 and 2009 are as follows:

| | <u>2010</u> | <u>2009</u> |
|--|------------------|------------------|
| Endowment net assets, Beginning of year | \$ 53,095 | \$ 53,095 |
| Endowment interest | 186 | 100 |
| Endowment appropriations | <u>(186)</u> | <u>(100)</u> |
| Endowment net assets, End of year | <u>\$ 53,095</u> | <u>\$ 53,095</u> |

(8) Retirement Plan

The Girl Scouts participate in the National Girl Scout Retirement Plan (the “Plan”), a noncontributory defined pension plan sponsored by Girl Scouts of the USA which covers substantially all of the employees of various Girl Scout Councils. Benefits are based on years of service and salary levels. The Girl Scouts pension expense and contributions to this Plan for the years ended December 31, 2010 and 2009 were \$225,611 and \$95,855, respectively. The National Board of the Girl Scouts of the USA voted to freeze future benefits under the Plan effective July 31, 2010. Due to the nature of the Plan, it is not practicable to determine the extent to which the assets of the Plan cover the actuarially computed value of vested benefits for the Girl Scouts as a stand alone operation. In addition, because the Plan is considered a multiemployer plan, it is only subject to certain minimum reporting requirements of the FASB Accounting Standards Codification Section 715-80. However, due to unfavorable market conditions, as of January 1, 2010, the actuarial present value of accumulated plan benefits exceeded net Plan assets available for plan benefits by \$80,199,440.

A comparison of the actuarial present value of accumulated Plan benefits and Plan net assets is as follows:

| | <u>January 1, 2010</u> | <u>January 1, 2009</u> |
|--|-----------------------------------|-----------------------------------|
| Actuarial present value of accumulated plan benefits | <u>\$ 481,789,124</u> | <u>\$ 432,077,077</u> |
| Net assets available for benefits | <u>\$ 401,589,684</u> | <u>\$ 358,275,438</u> |

(9) Special Events

A major source of revenues for the Girl Scouts is derived from several special fund raising events which are conducted during the year. An analysis of the results of these events by activity for the year 2010 is as follows:

| <u>Activity</u> | <u>Gross Revenues</u> | <u>Direct Costs</u> | <u>Net Proceeds</u> |
|------------------------|----------------------------------|--------------------------------|--------------------------------|
| Luncheon | \$ 97,518 | \$ 33,796 | \$ 63,722 |
| Other special events | <u>52,533</u> | <u>13,539</u> | <u>38,994</u> |
| Total | <u>\$ 150,051</u> | <u>\$ 47,335</u> | <u>\$ 102,716</u> |

(10) Concentrations Of Credit Risk

The Girl Scouts maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. The Girl Scouts have not experienced any losses in such accounts and believe they are not exposed to any significant credit risk on cash and cash equivalents.

(11) Subsequent events

The Girl Scouts have evaluated subsequent events through March 23, 2011 which is the date these financial statements were available to be issued.

GIRL SCOUTS OF NASSAU COUNTY, INC.
SUPPLEMENTARY STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Comparative Totals for 2009)

| | Total Program Services | Total Supporting Services | Total Expenses | |
|------------------------------------|------------------------------|---------------------------------|--------------------|--------------------|
| | | | 2010 | 2009 |
| Salaries and related expenses: | | | | |
| Salaries | \$2,218,729 | \$ 664,965 | \$2,883,694 | \$2,920,362 |
| Benefits | 328,706 | 87,272 | 415,978 | 305,429 |
| Payroll taxes | 169,354 | 51,299 | 220,653 | 222,871 |
| Total | 2,716,789 | 803,536 | 3,520,325 | 3,448,662 |
| Professional fees | 70,040 | 68,633 | 138,673 | 148,967 |
| Supplies | 139,669 | 11,669 | 151,338 | 153,577 |
| Telephone | 15,554 | 3,278 | 18,832 | 12,556 |
| Postage | 34,489 | 12,036 | 46,525 | 49,821 |
| Occupancy | 208,052 | 25,139 | 233,191 | 223,268 |
| Printing and publications | 75,364 | 8,363 | 83,727 | 72,351 |
| Transportation | 59,701 | 6,145 | 65,846 | 57,087 |
| Conferences and conventions | 45,424 | 19,019 | 64,443 | 56,531 |
| Financial assistance | 33,460 | - | 33,460 | 35,774 |
| Equipment and maintenance | 76,802 | 18,249 | 95,051 | 95,016 |
| Insurance | 83,251 | 17,701 | 100,952 | 107,816 |
| Other | 28,101 | 27,619 | 55,720 | 46,779 |
| Total expenses before depreciation | 3,586,696 | 1,021,387 | 4,608,083 | 4,508,205 |
| Depreciation | 326,712 | 20,944 | 347,656 | 341,747 |
| Total expenses | <u>\$3,913,408</u> | <u>\$1,042,331</u> | <u>\$4,955,739</u> | <u>\$4,849,952</u> |

The accompanying notes to financial statements
should be read in conjunction with these statements.

GIRL SCOUTS OF NASSAU COUNTY, INC.
SUPPLEMENTARY STATEMENTS OF FUNCTIONAL EXPENSES - PROGRAM SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2010

| | <u>Membership Development</u> | <u>Special Programs</u> | <u>Training & Adult Development</u> | <u>Camp</u> | <u>Total</u> |
|------------------------------------|-----------------------------------|-----------------------------|---|------------------|--------------------|
| Salaries and related expenses: | | | | | |
| Salaries | \$ 909,389 | \$579,582 | \$ 561,441 | \$168,317 | \$2,218,729 |
| Benefits | 131,805 | 105,364 | 90,957 | 580 | 328,706 |
| Payroll taxes | 73,121 | 44,783 | 42,776 | 8,674 | 169,354 |
| Total | 1,114,315 | 729,729 | 695,174 | 177,571 | 2,716,789 |
| Professional fees | 12,081 | 40,647 | 9,062 | 8,250 | 70,040 |
| Supplies | 6,977 | 16,476 | 14,705 | 101,511 | 139,669 |
| Telephone | 4,605 | 3,521 | 3,084 | 4,344 | 15,554 |
| Postage | 7,261 | 19,630 | 1,929 | 5,669 | 34,489 |
| Occupancy | 25,324 | 19,482 | 15,269 | 147,977 | 208,052 |
| Printing and publications | 7,170 | 64,691 | 3,481 | 22 | 75,364 |
| Transportation | 6,122 | 3,492 | 12,609 | 37,478 | 59,701 |
| Conferences and conventions | 3,250 | 25,754 | 15,947 | 473 | 45,424 |
| Financial assistance | 32,459 | 1,001 | - | - | 33,460 |
| Equipment and maintenance | 28,972 | 16,511 | 18,249 | 13,070 | 76,802 |
| Insurance | 12,656 | 7,287 | 8,054 | 55,254 | 83,251 |
| Other | 13,808 | 4,693 | 3,089 | 6,511 | 28,101 |
| Total expenses before depreciation | 1,275,000 | 952,914 | 800,652 | 558,130 | 3,586,696 |
| Depreciation | 28,231 | 18,214 | 18,214 | 262,053 | 326,712 |
| Total expenses | <u>\$ 1,303,231</u> | <u>\$971,128</u> | <u>\$ 818,866</u> | <u>\$820,183</u> | <u>\$3,913,408</u> |

The accompanying notes to financial statements
should be read in conjunction with these statements.

GIRL SCOUTS OF NASSAU COUNTY, INC.
SUPPLEMENTARY STATEMENTS OF FUNCTIONAL EXPENSES - SUPPORTING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2010

| | <u>Management and General</u> | | <u>Fund Raising</u> | <u>Total</u> |
|------------------------------------|-------------------------------|-----------------------------|-------------------------|---------------------|
| | <u>Management</u> | <u>Public Relations</u> | | |
| Salaries and related expenses: | | | | |
| Salaries | \$ 301,111 | \$ 236,314 | \$ 127,540 | \$ 664,965 |
| Benefits | 37,873 | 28,764 | 20,635 | 87,272 |
| Payroll taxes | 24,092 | 17,781 | 9,426 | 51,299 |
| Total | 363,076 | 282,859 | 157,601 | 803,536 |
| Professional fees | 3,295 | 62,676 | 2,662 | 68,633 |
| Supplies | 10,288 | 740 | 641 | 11,669 |
| Telephone | 1,274 | 1,036 | 968 | 3,278 |
| Postage | 7,990 | 510 | 3,536 | 12,036 |
| Occupancy | 14,508 | 3,992 | 6,639 | 25,139 |
| Printing and publications | 1,052 | 1,994 | 5,317 | 8,363 |
| Transportation | 4,487 | 1,130 | 528 | 6,145 |
| Conferences and conventions | 14,766 | 800 | 3,453 | 19,019 |
| Equipment and maintenance | 7,821 | 4,345 | 6,083 | 18,249 |
| Insurance | 13,098 | 1,918 | 2,685 | 17,701 |
| Other | 20,807 | 1,744 | 5,068 | 27,619 |
| Total expenses before depreciation | 462,462 | 363,744 | 195,181 | 1,021,387 |
| Depreciation | 9,106 | 4,553 | 7,285 | 20,944 |
| Total expenses | <u>\$ 471,568</u> | <u>\$ 368,297</u> | <u>\$ 202,466</u> | <u>\$ 1,042,331</u> |

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should be read in conjunction with these statements.