

**Girl Scouts – Western Oklahoma, Inc.
Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With Generally Accepted Auditing Standards
September 30, 2010**

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
With Generally Accepted Auditing Standards**

To the Board of Directors
Girl Scouts of Western Oklahoma
Oklahoma City, Oklahoma

We have audited the statement of financial position of Girl Scouts - Western Oklahoma (an Oklahoma nonprofit corporation) (the Council) as of September 30, 2010, and the related statement of activities, and cash flows for the year then ended in accordance with auditing standards generally accepted in the United States of America, and have issued our report thereon dated February 28, 2011.

The management of the Girl Scouts - Western Oklahoma is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the financial statements, we considered the Girl Scouts - Western Oklahoma's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and the Board of Directors of the Girl Scouts - Western Oklahoma and is not intended to be and should not be used by anyone other than these specified parties.

Hyde & Company CPAs
Hyde and Company CPAs, PC
February 28, 2011

INDEPENDENT AUDITORS' REPORT
GIRL SCOUTS - WESTERN OKLAHOMA, INC.

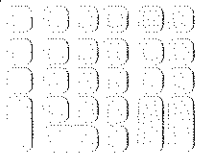
September 30, 2010

GIRL SCOUTS – WESTERN OKLAHOMA, INC.
Oklahoma City, Oklahoma
September 30, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Girl Scouts - Western Oklahoma, Inc.
6100 North Robinson Avenue
Oklahoma City, Oklahoma 73118

We have audited the accompanying statement of financial position of Girl Scouts – Western Oklahoma, Inc. (the “Council”) (a nonprofit corporation) as of September 30, 2010, and the related statements of activities, cash flows and functional expenses for the year 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 audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control over financial reporting. Accordingly, we express no such opinion. 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 in the first paragraph presents fairly, in all material respects, the financial position of Girl Scouts – Western Oklahoma, Inc. as of September 30, 2010, and the changes in its net assets, its cash flows and functional expenses for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Hyde & Company CPAs
Hyde & Company CPAs, P.C.
Oklahoma City, Oklahoma
February 28, 2011

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
STATEMENT OF FINANCIAL POSITION
September 30, 2010

Assets

Current assets:

Cash and cash equivalents	\$ 372,755
Pledges receivable	936,913
Accounts receivable	405,956
Grants receivable	4,951
Short-term investments (Note 4)	1,888,912
Inventory at cost	137,793
Deposits, prepaid expenses and other	43,955
Total current assets	3,791,235

Long-term investments	11,925
Land, buildings and equipment, net (Note 2)	743,175
Beneficial interest in assets held by others (Note 7)	256,780
	4,803,115

Total Assets	\$ 4,803,115
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Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 15,187
Accrued compensated absences	59,349
Reciprocal dues payable to National	48,537
Funds held for troops	131,703
Current portion of notes payable	10,130
Total current liabilities	264,906

Notes payable, net of current portion (Note 12)	16,017
Total liabilities	280,923

Net Assets:

Unrestricted	3,073,331
Temporarily restricted (Note 5)	1,378,205
Permanently restricted (Note 5)	70,656
Total Net Assets	4,522,192

Total Liabilities and Net Assets	\$ 4,803,115
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GIRL SCOUTS - WESTERN OKLAHOMA, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
CONTRIBUTIONS, REVENUES AND OTHER SUPPORT				
REVENUE:				
Public support				
Contributions	\$ 49,362	\$ 29,414	\$ -	\$ 78,776
United Way	544,952			544,952
Special Events	210,963			210,963
Capital Campaign		919,772		919,772
In-kind Contributions	26,046			26,046
Grants		149,319		149,319
Total public support	<u>831,323</u>	<u>1,098,505</u>	<u>-</u>	<u>1,929,828</u>
Program related revenue				
Cookie sales (net) (Note 9)	2,016,923			2,016,923
QSP Be a Reader (net) (Note 9)	111,718			111,718
Program service fees	186,757			186,757
Net product sales income	<u>2,315,398</u>	<u>-</u>	<u>-</u>	<u>2,315,398</u>
Other revenue (losses)				
Sales of merchandise (net)	61,597			61,597
Investment income	50,414			50,414
Realized gain (loss) on investments	43,366			43,366
Royalty income	6,771			6,771
Miscellaneous income (loss)	(244)			(244)
Unrealized gain (loss) on investments	10,967			10,967
Gain (loss) on sale of assets	1,755			1,755
Total other revenue	<u>174,626</u>	<u>-</u>	<u>-</u>	<u>174,626</u>
Total public support and revenue	<u>3,321,347</u>	<u>1,098,505</u>	<u>-</u>	<u>4,419,852</u>
Net Assets Released from Restriction (Note 5)	<u>87,435</u>	<u>-</u>	<u>(87,435)</u>	<u>-</u>
Total revenue	<u>3,408,782</u>	<u>1,098,505</u>	<u>(87,435)</u>	<u>4,419,852</u>
EXPENSES:				
Program Services:	2,817,313	-	-	2,817,313
Supporting Services:				
Management and general	328,415	-	-	328,415
Fundraising	146,713	-	-	146,713
Total supporting services	<u>475,128</u>	<u>-</u>	<u>-</u>	<u>475,128</u>
Total expenses	<u>3,292,441</u>	<u>-</u>	<u>-</u>	<u>3,292,441</u>
Change in net assets	116,341	1,098,505	(87,435)	1,127,411
Net assets, beginning of period	<u>2,956,990</u>	<u>279,700</u>	<u>158,091</u>	<u>3,394,781</u>
Net assets, end of period	<u>\$ 3,073,331</u>	<u>\$ 1,378,205</u>	<u>\$ 70,656</u>	<u>\$ 4,522,192</u>

See accompanying Notes to the Financial Statements.

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
STATEMENT OF CASH FLOWS
Year Ended September 30, 2010

Cash flows from operating activities:	
Change in Net Assets	\$ 1,127,411
Adjustment to reconcile changes in net assets to net cash provided (used) by operating activities:	
Depreciation	157,815
Increase in value of beneficial interest in assets held by others	(35,441)
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	(1,268,839)
(Increase) decrease in grants receivable	40,586
(Increase) decrease in inventory	(33,753)
(Increase) decrease in prepaid expenses	(24,540)
Increase (decrease) in accounts payable	(21,118)
Increase (decrease) in accrued liabilities	(260)
Increase (decrease) in dues payable to National	3,219
Increase (decrease) in unearned revenue	-
Increase (decrease) in funds held for troops	31,288
Net cash provided (used) by operating activities	<u>(1,151,043)</u>
Cash flows from investing activities:	
Realized gains & losses on investments, net	43,366
Unrealized gains & losses on investments, net	10,967
(Purchase) sale of investments, net	(119,943)
Gain on disposal of assets	1,755
Purchase of property and equipment	(103,179)
Net cash provided (used) by investing activities	<u>(167,034)</u>
Cash flows from financing activities:	
Extinguishment of debt	(16,514)
Acquisition of note payable	-
Net cash provided (used) by financing activities	<u>(16,514)</u>
Increase (decrease) in cash and cash equivalents	(207,180)
Cash and cash equivalents at beginning of period	<u>579,935</u>
Cash and cash equivalents at end of period	<u>\$ 372,755</u>
Supplemental Information:	
Amount paid for interest	\$ 1,272
Amount paid for income taxes	<u>\$ -</u>

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2010

	Program Services	Supporting Services			Totals Expenses
		Management & General	Fund- raising	Total	
OTHER EXPENSES					
Salaries	\$ 1,308,139	\$ 121,940	\$ 41,670	\$ 163,610	\$ 1,471,749
Life Insurance	3,501	291	350	641	4,142
Dental Insurance	3,229	1,442	467	1,909	5,138
Vision Insurance	5,164	1,869	1,177	3,046	8,210
Health Insurance	48,602	9,128	9,191	18,319	66,921
Retirement	58,934	26,831	11,018	37,849	96,783
Employee Assistance Program	1,188	191	40	231	1,419
Payroll Taxes	97,452	18,944	7,085	26,029	123,481
Workers Compensation Insurance	40,710	3,842	3,638	7,480	48,190
Disability Insurance	4,004	2,520	893	3,413	7,417
AD&D Insurance	100	45	3	48	148
Legal and Professional Fees	59,736	10,424	317	10,741	70,477
Computer Service	1,938	18,523	-	18,523	20,461
Background Checks	1,512	239	188	427	1,939
Contract Labor	143,602	14,884	-	14,884	158,486
Supplies	167,279	10,362	4,142	14,504	181,783
Recognition	7,308	254	1,549	1,803	9,111
Small Equipment	1,036	806	-	806	1,842
Vehicle Costs	91,561	8,231	3,449	11,680	103,241
Telephone and Internet	60,758	4,603	4,829	9,432	70,190
Postage and Freight	14,687	772	4,883	5,655	20,342
Utilities	53,210	4,110	658	4,768	57,978
Repair and Maintenance	91,231	2,852	547	3,399	94,630
Rents	79,191	6,891	2,032	8,923	88,114
Entrance Fees	20,229	1,895	-	1,895	22,124
Printing and Publications	85,373	12,298	15,075	27,373	112,746
Meeting, Transportation and Lodging	63,727	4,639	22,496	27,135	90,862
Camperships	35,852	-	-	-	35,852
Specific Assistance - Members	48,148	-	-	-	48,148
Organizational Dues	4,167	2,497	1,545	4,042	8,209
Insurance	46,948	20,530	3,396	23,926	70,874
Staff Recruiting and Development	1,376	4,060	-	4,060	5,436
Interest Expense	800	472	-	472	1,272
Bank Service Charges	15,724	2,815	-	2,815	18,539
Other Miscellaneous Expenses	5,149	1,973	1,250	3,223	8,372
Sub-Total before Depreciation	<u>2,671,565</u>	<u>321,173</u>	<u>141,888</u>	<u>463,061</u>	<u>3,134,626</u>
Depreciation	<u>145,748</u>	<u>7,242</u>	<u>4,825</u>	<u>12,067</u>	<u>157,815</u>
Total Other Expenses	<u>\$ 2,817,313</u>	<u>\$ 328,415</u>	<u>\$ 146,713</u>	<u>\$ 475,128</u>	<u>\$ 3,292,441</u>

See accompanying Notes to the Financial Statements.

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Girl Scouts - Western Oklahoma, Inc. (the Council) was formed on March 1, 2008, by the merger of Girl Scouts – Sooner Council into the Girl Scouts – Redlands Council. The Redlands Council was then renamed Girl Scouts - Western Oklahoma, Inc. The operations of the two former councils were combined on that date.

The Council is a not-for-profit corporation organized for the purpose of providing and directing Girl Scout programs for girls ages 5 – 17 in the central and western half of the state of Oklahoma. The Girl Scout Organization provides educational programs and supporting services for both girls and adults.

Basis of Accounting - The Council prepares its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), *Not-for-Profit Entities* (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements for Not-for-Profit Organizations*). Under FASB ASC 958, the Council is required to report information regarding its financial position and activities according to three classes of net assets:

- (a) Unrestricted Net Assets – assets currently available for corporation purposes under the direction of the board, those designated by the board for specific use, and those resources invested in property and equipment.
- (b) Temporarily Restricted Assets – assets contributed with donor stipulations for specific operating purposes, those with time restrictions, or those not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased.
- (c) Permanently Restricted Net Assets – assets contributed with donor restrictions requiring that they be held in perpetuity.

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

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

The majority of promises to give are received from a broad base of contributors from the central and western half of the state of Oklahoma 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. At September 30, 2010, no allowance for uncollectible promises was considered necessary by management, and all promises are considered collectible.

Grants and other 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. If the temporarily restricted support is received in the same period as the donor restrictions are met, the contribution will be shown as unrestricted revenues.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets.

Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. For the year ended September 30, 2010, the Council recognized approximately \$26,046 in non-cash goods, services and assets in the accompanying statement of financial position, as the criteria for recognition of such volunteer effort under FASB ASC 958, *Not-for-Profit Entities* (formerly SFAS No. 116, *Accounting for Contributions Made and Contributions Received*), had been satisfied.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgetary Accounting and Control - The Council prepares an operating budget each year for management purposes.

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents - For purposes of the Statement of Financial Position, “cash equivalents” includes all highly liquid investments with a maturity of three months or less when purchased. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Compensated Absences - Earned unpaid wages, including vacation time, are accrued and reported as wages payable.

Investments – All investments held and related investment income are considered to be for unrestricted use unless restricted by the donor. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Inventory - Inventories are stated at the lower of cost or market, using the first-in, first-out (FIFO) method. The inventory consists of supplies and merchandise obtained principally from the Girl Scouts National Office for resale to members, and cookies held for fundraising sales. Hyde & Company CPAs observed a physical count of inventory items conducted by the Council on July 31, 2010.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are charged to bad debts expense using the direct write-off method. This method approximates accounting principles generally accepted in the United States of America.

Property and Equipment - Land, improvements, building and equipment are shown in the balance sheet at cost or at estimated fair-market value if donated. Assets disposed of are removed from the books. The Council follows the practice of capitalizing all expenditures for property, furniture and equipment in excess of \$500. The assets are depreciated on the straight-line method based on the estimated useful lives; buildings at 40 years, leasehold improvements at 3 to 20 years, and equipment, furnishings and vehicles at 5 to 10 years. The cost of maintenance and repairs are charged to expense as incurred. Significant renewals and improvements are capitalized. Depreciation expense for the year ended September 30, 2010, was \$157,815.

Functional Allocation of Expenses - The costs of providing the Council’s various programs, activities and supporting services have been summarized on a functional basis in the statement of activities. Expenses are charged to each program and supporting service based on direct expenditures incurred. Any expenses not directly chargeable are

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

allocated among the various programs and supporting services based on estimates made by management.

NOTE 2 – FIXED ASSETS

The Council's fixed assets at September 30, 2010, consist of the following:

Land and Improvements	\$	745,523
Building & Leasehold Improvements		1,958,782
Equipment & Furnishings		327,422
Vehicles		116,931
Computer Hardware		116,410
Computer Software		28,545
		3,293,613
Less Accumulated Depreciation		(2,550,438)
Net Fixed Assets	\$	743,175

NOTE 3 – AFFILIATED ORGANIZATIONS

The Council operates as a part of the Girl Scouts of the U.S.A. While this Council collects no dues for its own use, dues are collected by this Council for the National organization and are forwarded to it. Additionally, some forms and supplies may be purchased from the National organization for use by the Council.

NOTE 4 – INVESTMENTS

Trust Fund - The following investments were held in the account of Girl Scouts-Western Oklahoma Trust at the First National Bank Trust Department at September 30, 2010:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash	\$ -	\$ -	\$ -
Fed. Tax Free Obligations	441,799	441,799	-
Mortgages & Notes	91,140	91,140	-
	\$ 532,939	\$ 532,939	\$ -

Subsequent to September 30, 2010, the majority of the Trust Fund's assets were liquidated and moved to another investment account.

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 4 – INVESTMENTS (continued)

Other Investments – The following investments were held in the account of the Girl Scouts-Western Oklahoma at the institutions listed below at September 30, 2010:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
BancFirst Trust			
Cash & equivalents	\$ 9,053	\$ 9,053	\$ -
Fixed income bonds	121,044	122,766	1,722
Equity securities	92,696	84,990	(7,706)
	<u>\$ 222,793</u>	<u>\$ 216,809</u>	<u>\$ (5,984)</u>
MidFirst Bank			
Treasury Fund	<u>\$ 100,875</u>	<u>\$ 100,875</u>	<u>\$ -</u>
Chase American Fund			
Cash & equivalents	\$ 42	\$ 42	\$ -
Mutual funds	156,347	150,363	(5,984)
	<u>\$ 156,389</u>	<u>\$ 150,405</u>	<u>\$ (5,984)</u>
OG&E Common Stock	<u>\$ 11,925</u>	<u>\$ 18,276</u>	<u>\$ 6,351</u>
Reliastar Variable Annuity Contracts	<u>\$ 864,940</u>	<u>\$ 881,533</u>	<u>\$ 16,593</u>

Subsequent to September 30, 2010, the Reliastar Variable Annuity Contracts were closed, and the funds were moved to the BancFirst Trust account.

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

NOTE 5 – RESTRICTED NET ASSETS

The following funds were restricted by donors as of September 30, 2010:

Permanently Restricted:

Susan Ferrell Memorial	\$ 8,926
OG&E Stock	11,925
Oklahoma City Community Foundation	49,805
	<u>\$ 70,656</u>

Temporarily Restricted

Capital Campaign	\$ 874,740
OCHA – Ross Grant	9,539
Forever Green Grant	5,000
Renaissance Run Grant	1,000
Uniquely Me Grant	60,460
INASMUCH Foundation Grant	50,000
Women’s Foundation	10,000
Impact Oklahoma Grant - Stem	24,500
Newfield Foundation	2,500
DEQ – ECO – Action	375
JC Penney’s – United Way	9,000
Wyoming Wilderness	4,500
Sarkeys Foundation Grant	49,750
Motorola Lego League Grant	10,000
Edmond Women’s Club	4,500
Chesapeake 2009 Stem	25,000
Rural Grant – Reimbursement	16,548
DOJ Mini Reimbursement	6,993
Americorp Express	5,208
	<u>\$ 1,169,613</u>

Temporarily Restricted – Endowments

Price Family Endowment	\$ 154,728
Cherokee Strip Community Foundation (formerly the Enid Community Foundation)	53,864
	<u>\$ 208,592</u>

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

Included in Permanently Restricted Net Assets are 600 shares of OG&E Energy stock donated to the Council, the corpus of which is to be held permanently. The annual income on this investment is to be spent as needed for girl scouts.

NOTE 6 – RETIREMENT PLAN

The Council participates in the National Girl Scout Council Retirement Plan (the Plan), a noncontributory defined benefit 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 Council's pension expense and contributions to this Plan for the year ended September 30, 2010 was \$82,654. 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 Council as a standalone operation. In addition, because the Plan is considered a multiemployer plan, it is only subject to certain minimum reporting requirements of FASB ASC 715-30, *Defined Benefit Plans – Pensions* (formerly SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*). 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.

The Council also participates with employees in a 403(b) Thrift Plan. Employees who work 20 hours a week are eligible to participate in the Thrift Plan. After one year of employment, the Council matches the employee contributions 50 cents to the dollar up to 3% of qualified payroll. The Council's matching share of 403(b) Thrift Plan contributions for the period ended September 30, 2010 was \$14,129.

NOTE 7 – FUNDS HELD BY OTHERS

Effective July 1, 2002, the Council adopted FASB ASC 958-605, *Transfers of Assets to a NPO or Charitable Trust that Raises or Holds Contributions for Others* (formerly SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*). This statement specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the not-for-profit organization must recognize its beneficial interest in the assets.

The Council has transferred funds to the Cherokee Strip Community Foundation (formerly the Enid Community Foundation), and specified itself as the beneficiary of the funds. These funds are totally liquid per the agreement with the Cherokee Strip Community Foundation.

GIRL SCOUTS - WESTERN OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2010

The Council has also transferred funds to the Oklahoma City Community Foundation. The Oklahoma City Community Foundation maintains variance power over these funds. Variance power insures donors that if the charitable purpose of their contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community.

NOTE 7 – FUNDS HELD BY OTHERS (continued)

The Oklahoma City Community Foundation maintains legal ownership of the funds; however, FASB ASC 958-605 requires that the Council reflect its beneficial interest in these assets in its financial statements.

In addition to the funds discussed above, the Oklahoma City Community Foundation maintains other funds that have been contributed by various donors to the Foundation for the benefit of the Council. These funds are not included as assets of the Council. The earnings from these funds are paid to the Council each year. For the period ended September 30, 2010, the Council received \$16,610 from the funds, both contributed by the Council and from various donors. At September 30, 2010, the fair value of the funds contributed by the Council was \$153,805 and \$53,242 at the Cherokee Strip Community Foundation (formerly the Enid Community Foundation) and the Oklahoma City Community Foundation, respectively. The Council has no remainder interest in the corpus of the funds held by the Oklahoma City Community Foundation.

NOTE 8 – CONCENTRATION OF RISKS

During the year ended September 30, 2009, the Council had a bank account with funds that exceeded the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. At September 30, 2010, there were no funds on deposit with banks over the FDIC limit. Mutual funds, treasury notes and bonds are not deposits or obligations of any bank and are not covered by Federal Deposit Insurance Corporation insurance.

The Council is heavily dependent upon the annual sale of cookies. This fundraiser is the single largest source of revenue for the Council. Currently, the Council relies on one supplier to purchase these cookies. If for some reason the Council could not obtain cookies or the fundraiser did not take place, it could be detrimental to the Council's operations.

NOTE 9 – COOKIE SALES AND FALL PRODUCT SALES

The revenue and expense for the cookie sales completed during the year ended September 30, 2010 was \$3,767,532 and \$1,750,609, respectively. A portion of these funds may be designated by the Board for future year's operations.

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The revenue and expense for the Fall Product sales and the Nut Sales completed during the year ended September 30, 2010 was \$216,403 and \$104,685, respectively.

NOTE 10 – INCOME TAX

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as a publicly supported organization, and not a private foundation within the meaning as described in the Internal Revenue Code Sections 509 (a)(1) and 170 (b)(1)(A)(vi) and qualifies for the 50% charitable contribution deduction for individual donors.

NOTE 11 – OPERATING LEASE COMMITMENT

As of November 1, 2004, the Council entered into a non-cancelable operating lease for 10 computers requiring lease payments of \$6,439 annually. Lease expense for the year ended September 30, 2010 approximated \$4,015. The lease expired in January 2010.

NOTE 12 – NOTES PAYABLE

The Council has two notes payable as of September 30, 2010. The detail of these notes is as follows:

Note 1 - 8.5% interest note payable dated December 6, 2006, due in monthly installments of \$317 through December 6, 2011. The note is secured by a 2004 Honda Civic. The outstanding principal balance as of September 30, 2010 is \$4,691.

Note 2 – 6.99% interest note payable dated September 30, 2008, due in monthly installments of \$652 through October 28, 2013. The note is secured by a 2009 Ford Escape. The outstanding principal balance as of September 30, 2010 is \$21,456.

The following is a summary of principal maturities of long-term debt during the next five fiscal years:

2011	\$	10,130
2012		8,159
2013		7,433
2014		425
2015 and after		-
	\$	<u>26,147</u>

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NOTE 13 – SUBSEQUENT EVENTS

In June 2010, the Council entered into a contract to purchase a building in Oklahoma City to house the Council's activities. Under the terms of the contract, the purchase price was \$2,000,000. The purchase will be funded by a 15 year, \$1,600,000 mortgage, with additional funds provided from a Council Capital Campaign. The purchase was completed in on November 17, 2010.

On December 17, 2010, the Council sold its former headquarters building for consideration of \$330,000, resulting in cash received of approximately \$308,000, and a gain on the sale of approximately \$194,000. The proceeds from the sale were used to cover the costs associated with relocating to the new building, and for general business purposes.

In preparing these financial statements, the Council evaluated events and transactions for potential recognition or disclosure through February 28, 2011, the date the financial statements were available to be issued.