

**GIRL SCOUT COUNCIL  
OF CUMBERLAND VALLEY**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**September 30, 2005 and 2004**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Girl Scout Council of Cumberland Valley

We have audited the accompanying statements of financial position of Girl Scout Council of Cumberland Valley as of September 30, 2005 and 2004, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Girl Scout Council of Cumberland Valley's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 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 Girl Scout Council of Cumberland Valley as of September 30, 2005 and 2004, 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.

*Frasier, Dean & Howard, PLLC*

November 14, 2005

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**STATEMENTS OF FINANCIAL POSITION**  
September 30, 2005 and 2004

	UNRESTRICTED					
	Camping, Operating and Special Project Reserves	Land, Bldgs. & Equipment	Total Unrestricted	Temporarily Restricted	Permanently Restricted Endowment	2004 Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents (Note 1)	\$ 2,663,036	\$ -	\$ 2,663,036	\$ 544	\$ -	\$ 3,177,308
Unconditional promises to give -	-	-	-	-	-	-
United Way and other (Note 1, 2, 7)	-	-	-	324,902	-	419,987
Unconditional promises to give - Capital Campaign (Note 1, 2, 7)	-	-	-	108,696	-	151,717
Accounts receivable	101,828	-	101,828	-	-	79,801
Inventory (Note 1)	111,896	-	111,896	-	-	157,118
Prepaid expenses	94,968	-	94,968	-	-	53,210
Total current assets	2,971,728	-	2,971,728	434,142	-	4,039,141
Land, buildings and equipment (net of accumulated depreciation of \$6,325,356 and \$5,997,172 (Note 1, 4))	-	6,046,452	6,046,452	-	-	6,219,717
Other non-current assets:						
Unconditional promises to give - Capital Campaign (Note 1, 2, 7)	-	-	-	72,833	-	193,110
Long-term investments (Note 1, 3)	4,033,655	-	4,033,655	8,896	1,138,960	4,199,002
Total assets	\$ 7,005,383	\$ 6,046,452	\$ 13,051,835	\$ 515,871	\$ 1,138,960	\$ 14,650,970
<b>LIABILITIES AND NET ASSETS</b>						
Current liabilities:						
Accounts payable	\$ 51,408	\$ -	\$ 51,408	\$ -	\$ -	\$ 72,502
Accrued liabilities	101,030	-	101,030	-	-	110,040
Deferred income	46,532	-	46,532	-	-	55,334
Obligation under capital lease	-	-	-	-	-	41,340
Note payable	9,806	-	9,806	-	-	9,805
Line of credit	-	-	-	-	-	707,000
Total current liabilities	208,776	-	208,776	-	-	996,021
Custodian funds	31,332	-	31,332	-	-	49,112
Note payable	9,805	-	9,805	-	-	19,611
Obligation under capital lease	-	-	-	-	-	3,589
Total liabilities	249,913	-	249,913	-	-	1,068,333
Net assets (Note 1, 7):						
Unrestricted	6,755,470	6,046,452	12,801,922	-	-	11,429,952
Temporarily restricted	-	-	-	515,871	-	1,049,706
Permanently restricted	-	-	-	-	1,138,960	1,102,979
Total net assets	6,755,470	6,046,452	12,801,922	515,871	1,138,960	13,582,637
Total liabilities and net assets	\$ 7,005,383	\$ 6,046,452	\$ 13,051,835	\$ 515,871	\$ 1,138,960	\$ 14,650,970

See accompanying notes.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2005**

	Unrestricted	Temporarily Restricted	Permanently Restricted Endowment	Total	2004
Public support:					
Annual giving (Note 1)	\$ 808,379	\$ -	\$ -	\$ 808,379	\$ 728,656
United Way contributions	-	380,032	-	380,032	462,566
Golf tournament, net	-	-	-	-	49,402
Gold Award Luncheon, net	115,990	-	-	115,990	109,152
Subtotal public support	924,369	380,032	-	1,304,401	1,349,776
Capital campaign	-	-	-	-	188,897
Total public support	924,369	380,032	-	1,304,401	1,538,673
Revenue:					
Program related revenue:					
Cookie sales, net (Note 10)	3,009,799	-	-	3,009,799	3,042,262
Camping fees	322,460	-	-	322,460	291,810
Program fees	100,604	-	-	100,604	124,900
Government grants	137,047	-	-	137,047	88,471
Sale of merchandise, gross	457,914	-	-	457,914	480,369
Less: Cost of sales	(385,010)	-	-	(385,010)	(469,943)
In-kind contributions	-	4,056	-	4,056	3,762
Investment income (Note 3)	122,807	-	35,981	158,788	105,450
Net gain on investments (Note 3)	413,454	-	-	413,454	272,290
Other income, net	89,884	-	-	89,884	90,277
Total revenue	4,268,959	4,056	35,981	4,308,996	4,029,648
Net assets released from restrictions:					
Satisfaction of program and time restrictions	917,923	(917,923)	-	-	-
Total revenues, gains and other support	6,111,251	(533,835)	35,981	5,613,397	5,568,321
Expenses:					
Program services	4,112,810	-	-	4,112,810	4,036,373
Supporting services:					
Management and general	303,934	-	-	303,934	241,766
Fundraising and community relations	322,537	-	-	322,537	731,997
Total expenses	4,739,281	-	-	4,739,281	5,010,136
Losses:					
Provision for loss on uncollectible contributions	-	-	-	-	25,000
Change in net assets	1,371,970	(533,835)	35,981	874,116	533,185
Net assets, beginning of year	11,429,952	1,049,706	1,102,979	13,582,637	13,049,452
Net assets, end of year	\$12,801,922	\$ 515,871	\$ 1,138,960	\$14,456,753	\$13,582,637

See accompanying notes.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2004**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted Endowment</b>	<b>Total</b>	<b>2003</b>
Public support:					
Annual giving (Note 1)	\$ 728,656	\$ -	\$ -	\$ 728,656	\$ 579,216
United Way contributions	-	462,566	-	462,566	510,459
Golf tournament, net	49,402	-	-	49,402	35,707
Gold Award Luncheon, net	109,152	-	-	109,152	159,934
Subtotal public support	887,210	462,566	-	1,349,776	1,285,316
Capital campaign	-	188,897	-	188,897	576,466
Total public support	887,210	651,463	-	1,538,673	1,861,782
Revenue:					
Program related revenue:					
Cookie sales, net (Note 10)	3,042,262	-	-	3,042,262	2,665,499
Camping fees	291,810	-	-	291,810	269,370
Program fees	124,900	-	-	124,900	125,388
Registration fees	-	-	-	-	10,389
Government grants	88,471	-	-	88,471	110,304
Sale of merchandise, gross	480,369	-	-	480,369	479,812
Less: Cost of sales	(469,943)	-	-	(469,943)	(440,372)
In-kind contributions	-	3,762	-	3,762	14,785
Investment income (Note 3)	73,324	-	32,126	105,450	144,762
Net gain on investments (Note 3)	272,290	-	-	272,290	384,182
Other income, net	90,277	-	-	90,277	56,498
Total revenue	3,993,760	3,762	32,126	4,029,648	3,820,617
Net assets released from restrictions:					
Satisfaction of program and time restrictions	910,867	(910,867)	-	-	-
Total revenues, gains and other support	5,791,837	(255,642)	32,126	5,568,321	5,682,399
Expenses:					
Program services	4,036,373	-	-	4,036,373	4,071,700
Supporting services:					
Management and general	241,766	-	-	241,766	274,082
Fundraising and community relations	731,997	-	-	731,997	547,936
Total expenses	5,010,136	-	-	5,010,136	4,893,718
Losses:					
Provision for loss on uncollectible contributions	-	25,000	-	25,000	70,000
Change in net assets	781,701	(280,642)	32,126	533,185	718,681
Net assets, beginning of year	10,648,251	1,330,348	1,070,853	13,049,452	12,330,771
Net assets, end of year	\$11,429,952	\$ 1,049,706	\$ 1,102,979	\$13,582,637	\$13,049,452

See accompanying notes.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended September 30, 2005

	SUPPORTING SERVICES				Total
	Program Services	Management & General	Fundraising and Community Relations	Total Supporting Services	
Salaries	\$ 1,977,448	\$ 177,704	\$ 197,111	\$ 374,815	\$2,352,263
Employee health and retirement benefits	233,513	21,010	23,383	44,393	277,906
Payroll taxes	201,237	18,106	20,151	38,257	239,494
Total salaries and related expenses	2,412,198	216,820	240,645	457,465	2,869,663
Occupancy	385,260	6,968	9,907	16,875	402,135
Conferences, conventions, meetings and training	115,522	9,856	10,234	20,090	135,612
Supplies	121,228	1,437	6,600	8,037	129,265
Capital budget - repairs and maintenance	125,794	-	-	-	125,794
Insurance	104,293	6,320	7,034	13,354	117,647
Scholarships and financial aid	114,159	-	-	-	114,159
Travel	69,364	6,599	6,787	13,386	82,750
Printing and publications	71,933	969	808	1,777	73,710
Professional fees	58,491	2,614	3,222	5,836	64,327
Program consultants	55,320	724	7,229	7,953	63,273
Telephone	38,235	7,760	4,440	12,200	50,435
Awards and gifts	31,045	694	2,658	3,352	34,397
Trust fund management fee	-	31,884	-	31,884	31,884
Postage and shipping	17,047	1,129	4,632	5,761	22,808
Miscellaneous	15,869	615	4,050	4,665	20,534
Rental, repair and maintenance	16,916	345	645	990	17,906
Interest expense	7,297	-	757	757	8,054
Membership dues	2,854	775	1,012	1,787	4,641
Bad debts	-	-	2,500	2,500	2,500
Total expenses before depreciation	3,762,825	295,509	313,160	608,669	4,371,494
Depreciation (Note 4)	349,985	8,425	9,377	17,802	367,787
Total expenses	<u>\$ 4,112,810</u>	<u>\$ 303,934</u>	<u>\$ 322,537</u>	<u>\$ 626,471</u>	<u>\$ 4,739,281</u>

See accompanying notes.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended September 30, 2004**

	SUPPORTING SERVICES				Total
	Program Services	Management & General	Fundraising and Community Relations	Total Supporting Services	
Salaries	\$ 1,912,776	\$ 137,592	\$ 449,120	\$ 586,712	\$2,499,488
Employee health and retirement benefits	224,344	16,173	52,736	68,909	293,253
Payroll taxes	173,721	12,523	40,836	53,359	227,080
 Total salaries and related expenses	 2,310,841	 166,288	 542,692	 708,980	 3,019,821
Occupancy	340,987	5,664	18,609	24,273	365,260
Supplies	170,558	2,430	9,907	12,337	182,895
Conferences, conventions, meetings and training	151,721	9,621	19,509	29,130	180,851
Insurance	105,907	4,056	19,603	23,659	129,566
Scholarships and financial aid	128,043	-	-	-	128,043
Travel	84,767	3,704	12,735	16,439	101,206
Printing and publications	67,666	2,236	17,083	19,319	86,985
Professional fees	47,751	22,909	9,054	31,963	79,714
Program consultants	61,147	2,790	9,376	12,166	73,313
Telephone	52,155	1,426	10,337	11,763	63,918
Capital budget - repairs and maintenance	47,961	-	-	-	47,961
Postage and shipping	28,088	1,124	6,456	7,580	35,668
Rental, repair and maintenance	30,800	516	1,684	2,200	33,000
Miscellaneous	20,351	730	7,172	7,902	28,253
Awards and gifts	16,635	781	4,519	5,300	21,935
Interest expense	7,297	-	7,297	7,297	14,594
Bad debts	149	20	14,134	14,154	14,303
Trust fund management fee	-	10,316	-	10,316	10,316
Membership dues	5,656	1,009	1,788	2,797	8,453
 Total expenses before depreciation	 3,678,480	 235,620	 711,955	 947,575	 4,626,055
Depreciation (Note 4)	357,893	6,146	20,042	26,188	384,081
 Total expenses	 \$ 4,036,373	 \$ 241,766	 \$ 731,997	 \$ 973,763	 \$5,010,136

See accompanying notes.



**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**STATEMENTS OF CASH FLOWS**  
**For the years ended September 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Change in net assets	\$ 874,116	\$ 533,185
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	367,787	384,081
Realized and unrealized gains on investments	(413,454)	(272,290)
(Gain) loss on disposals of fixed assets	(643)	1,242
Changes in operating assets and liabilities:		
Decrease in unconditional promises to give	258,383	314,540
(Increase) decrease in accounts receivable	(22,027)	25,767
Decrease in inventory	45,222	103,043
(Increase) decrease in prepaid expenses	(41,758)	17,090
Decrease in accounts payable	(21,094)	(156,315)
Decrease in accrued liabilities	(9,010)	(7,476)
Decrease in deferred income	(8,802)	(37,807)
(Decrease) increase in custodian funds	(17,780)	20,970
Net cash provided by operating activities	<u>1,010,940</u>	<u>926,030</u>
Cash flows from investing activities:		
Proceeds from sale of investments	2,470,082	2,998,282
Purchases of investments	(3,039,137)	(3,069,009)
Purchases of land, buildings and equipment	(193,879)	(95,878)
Net cash used in investing activities	<u>(762,934)</u>	<u>(166,605)</u>
Cash flows from financing activities:		
Net payments on line of credit	(707,000)	(64,000)
Payments on capital lease obligations	(44,929)	(38,449)
(Payments on) proceeds from note payable	(9,805)	29,416
Net cash used in financing activities	<u>(761,734)</u>	<u>(73,033)</u>
Net (decrease) increase in cash and cash equivalents	(513,728)	686,392
Cash and cash equivalents, beginning of year	<u>3,177,308</u>	<u>2,490,916</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,663,580</u></u>	<u><u>\$ 3,177,308</u></u>
Supplemental disclosure of cash flow information:		
Interest paid	<u><u>\$ 8,054</u></u>	<u><u>\$ 14,594</u></u>

See accompanying notes.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2005 and 2004**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Girl Scout Council of Cumberland Valley (the "Council") provides programs and administrative support for local Girl Scout troops in Middle Tennessee and Southern Kentucky. The Council is supported primarily through public support and the sale of cookies and merchandise. The following is a summary of the Council's significant accounting policies.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets - net assets subject to donor-imposed restrictions that they be maintained permanently by the Council. Permanently restricted assets are primarily comprised of the original endowment gift given to the Council by donors. Generally, the donors of these assets permit the Council to use all or part of the income from these assets.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Council considers all cash funds, cash bank accounts and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents. Cash and cash equivalents also include certificates of deposit with no significant penalty for early withdrawal.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**September 30, 2005 and 2004**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Inventories**

Inventories consist principally of Girl Scout related clothing and supplies and are stated at the lower of cost or market determined on the first-in, first-out basis.

**Investments**

Investments are stated at fair market value. Unrealized gains and losses as well as appreciation or depreciation in market value are reflected in the accompanying financial statements.

**Land, Buildings and Equipment**

Land, buildings and equipment are recorded at cost to the Council, or if contributed, they are recorded at the approximate market value at the date of acquisition. All depreciation is computed using the straight-line method based on the estimated useful life of the asset.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When buildings and equipment are sold or otherwise disposed, the asset and related accumulated depreciation are relieved, and any gain or loss is included in operations.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Council.

**Donated Services**

The Council receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities related to volunteer services because the criteria for recognition of such volunteer effort under accounting principles generally accepted in the United States of America have not 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.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**September 30, 2005 and 2004**

**NOTE 2 – PROMISES TO GIVE**

Unconditional promises to give consist of the following at September 30:

	<u>2005</u>	<u>2004</u>
United Way allocations	\$ 309,795	\$ 340,377
Capital Campaign	209,844	383,770
Other	<u>15,107</u>	<u>79,610</u>
	534,746	803,757
Less allowance for uncollectible amounts	(24,053)	(25,000)
Less discount to net present value	<u>(4,262)</u>	<u>(13,943)</u>
Net unconditional promises to give	<u>\$ 506,431</u>	<u>\$ 764,814</u>
Receivable in less than one year, net	\$ 433,598	\$ 571,704
Receivable in one to five years, net	<u>72,833</u>	<u>193,110</u>
	<u>\$ 506,431</u>	<u>\$ 764,814</u>

Although donor designations to the United Way may vary, differences between the amounts allocated and collected from the United Way have historically been insignificant. Accordingly, no provision is made for uncollectible amounts. Uncollectible amounts for other unconditional promises to give are expected to be insignificant.

**NOTE 3 – INVESTMENTS**

Investments consist of the following at September 30:

	<u>2005</u>		<u>2004</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Common stocks and stock mutual funds	\$ 1,291,312	\$ 1,298,507	\$ 2,318,571	\$ 2,491,488
Short-term investments	905,864	905,864	428,181	428,181
Corporate bonds and bond mutual funds	<u>2,460,465</u>	<u>2,977,140</u>	<u>1,231,343</u>	<u>1,279,333</u>
	<u>\$ 4,657,641</u>	<u>\$ 5,181,511</u>	<u>\$ 3,978,095</u>	<u>\$ 4,199,002</u>

During 2005 and 2004, interest and dividends earned from investments totaled \$158,788 and \$105,450, respectively. Net appreciation on investments amounted to \$413,454 and \$272,290 for the years ended September 30, 2005 and 2004, respectively.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**September 30, 2005 and 2004**

**NOTE 4 – LAND, BUILDINGS AND EQUIPMENT**

Land, buildings and equipment consist of the following at September 30:

	<u>2005</u>	<u>2004</u>	<u>Estimated Useful Lives</u>
Land	\$ 1,079,504	\$ 1,079,504	
Campsite facilities	6,561,502	6,448,082	5 to 15 years
Office buildings	1,969,659	1,947,964	40 years
Equipment	1,809,283	1,789,479	3 to 12 years
Land improvements	763,860	763,860	5 to 15 years
Equipment under capital leases	-	188,000	5 years
Subtotal	12,183,808	12,216,889	
Less accumulated depreciation	<u>(6,137,356)</u>	<u>(5,997,172)</u>	
Total	<u>\$ 6,046,452</u>	<u>\$ 6,219,717</u>	

Depreciation expense amounted to \$367,787 and \$384,081 for the years ended September 30, 2005 and 2004, respectively.

**NOTE 5 – LINE OF CREDIT**

Line of credit consisted of a \$3,000,000 revolving line of credit with a commercial bank. The agreement provided for interest to accrue at a variable rate of seventy-five basis points over the thirty day LIBOR rate. The line of credit was payable on demand and was secured by a negative pledge on certain Council property, with a maturity date of June 11, 2005. As of September 30, 2005 and 2004, borrowings outstanding were \$0 and \$707,000, respectively.

**NOTE 6 – LEASE COMMITMENT**

During fiscal 2005, the Council entered into a lease agreement for copiers that has been accounted for as an operating lease. The lease provides for sixty monthly payments of \$2,298. At September 30, 2005, future minimum annual lease payments under noncancelable lease obligations are as follows:

Year ending <u>September 30,</u>	
2006	\$ 27,576
2007	27,576
2008	27,576
2009	27,576
2010	<u>13,788</u>
	<u>\$ 124,092</u>

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**September 30, 2005 and 2004**

**NOTE 7 – RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods at September 30:

	<u>2005</u>	<u>2004</u>
Unconditional promises to give due in future periods	\$ 506,431	\$ 764,814
Contributions received for capital campaign	544	275,996
Funds restricted by purpose	<u>8,896</u>	<u>8,896</u>
	<u>\$ 515,871</u>	<u>\$1,049,706</u>

Permanently restricted net assets are comprised of the following at September 30:

	<u>2005</u>	<u>2004</u>
General endowment	\$ 618,488	\$ 600,473
Service center endowment	392,826	381,384
Sue Peters endowment	9,759	9,475
Fran Barge endowment	6,547	6,356
Dorothy May Campership fund	54,217	49,830
Judy Smith Promise Circle	33,236	32,269
Walling Woods property	<u>23,887</u>	<u>23,192</u>
	<u>\$1,138,960</u>	<u>\$1,102,979</u>

**NOTE 8 – RETIREMENT PLAN**

The Council participates in the National Girl Scout Council Retirement Plan covering various Girl Scout Councils. The plan is a noncontributory defined benefit pension plan, covering substantially all employees of various Girl Scout Councils. It is not practicable for the actuary to compute accumulated and projected benefit obligations for individual councils. Effective January 1, 2003, the rate of contribution is 3.0% of covered payroll. The amounts charged to Council pension expense and contributed to the plan for the years ended September 30, 2005 and 2004 were \$48,308 and \$50,926, respectively.

**NOTE 9 – TAX EXEMPTION**

The Council is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and the Council is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

**GIRL SCOUT COUNCIL OF CUMBERLAND VALLEY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**September 30, 2005 and 2004**

**NOTE 10 – CONCENTRATIONS**

The Council receives a substantial amount of its support from the sale of cookies. A significant reduction in the level of cookie sales, if this were to occur, could have an adverse impact on the Council's programs and services.

Financial instruments that potentially subject the Council to credit risk consist principally of cash and cash equivalents, unconditional promises to give, and investments. Cash and cash equivalent balances are maintained in excess of Federal Deposit Insurance Corporation insured amounts.