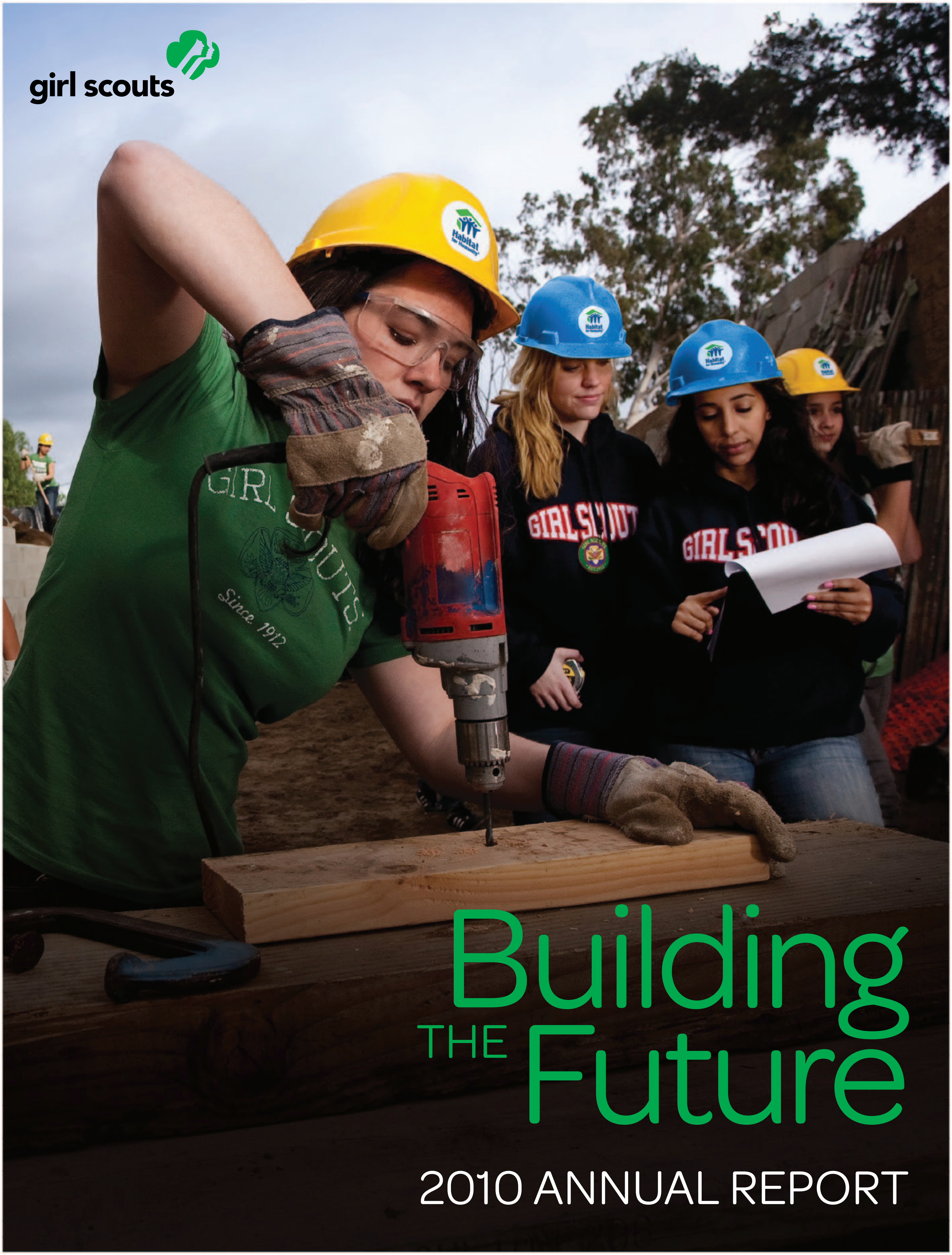
girl scouts



Building THE Future

2010 ANNUAL REPORT

This report covers services during the fiscal year ended September 30, 2010. In some instances, to maintain continuity, events beyond the fiscal year have been included.

Girl Scouts of the USA was founded by Juliette Gordon Low on March 12, 1912, in Savannah, Georgia, and chartered by the United States Congress on March 15, 1950. National headquarters is located at 420 Fifth Avenue, New York, NY 10018-2798.

Girl Scouts of the USA is a member of the World Association of Girl Guides and Girl Scouts.

Design: Julita Ehle

Twenty-two of NASA's career astronauts are lifelong Girl Scouts.

Table of Contents


REDEDICATION
GIRL SCOUTS®
FIRST YEAR
SECOND YEAR
THIRD YEAR
FOURTH YEAR
FIFTH YEAR

Introduction

From the Chair, National Board of Directors, and the Chief Executive Officer

Since our founding in 1912, Girl Scouts has helped girls develop their leadership skills and abilities. We are proud of our efforts through the years, and very proud of the accomplishments of our alumnae: about 80 percent of America's female business owners and senior executives, along with an outsized majority of women leaders in virtually every other field, are former Girl Scouts. Throughout this report are vignettes spotlighting the work of a few individual girls of the rising generation of American women leaders: Girl Scouts' Gold Award recipients.

Five years ago we made a conscious decision to transform the Girl Scout movement to make us better able to meet the needs of 21st-century girls and the leadership needs of the country. In fiscal year 2010 we completed much of this work, including the restructuring of our nationwide network of local Girl Scout councils from 315 to 112.

Along with every other nonprofit organization in the country (and most for-profit ones as well), we also weathered the economic storm. This presented its challenges, particularly as the global market downturn coincided with major investments in Girl Scout programming and infrastructure. We are pleased to be able to report that with care and prudence we have come through with a strong, healthy Girl Scouts that's ready for the future.

Looming large in that future is Girl Scouting's 100th anniversary on March 12, 2012. We'll begin the celebration at our National Council Session/52nd Convention in November 2011, and continue it through 2012 and into the following year, culminating in a major event—the State of the Girl Summit—in March 2013.

To celebrate our centenary, GSUSA is declaring 2012 the Year of the Girl and inviting like-minded organizations and individuals to join with us in an intense, sustained, nationwide effort to develop America's girls. Our long-term goal is to make certain that today's girls are able to assume their share of our nation's leadership in every major field of endeavor.

As part of this initiative, we are also launching a 100th anniversary comprehensive campaign with the goal of raising a total of $1 billion for girls and girls' issues over five years—the largest fundraising effort devoted solely to girls in the history of the United States. Through these efforts, as well as our day-to-day operations, we continue to strive to carry out our mission: building girls of courage, confidence, and character, who make the world a better place.

Connie L. Lindsey
National President
GSUSA

Kathy Cloninger
Chief Executive Officer,
GSUSA

The Girl Scout Gold Award

Angeles, 16
Caribe Girl Scout Council
Guaynabo, P.R.

An avid soccer player, Angeles created Clinicas de Soccer en Juan Domingo, a sports program for children with limited resources in an underserved community in Guaynabo, Puerto Rico. "My goal was to make a difference in the lives of young people," she said. The program involved the participation of parents, physical education teachers from the local public schools, and donations from the private sector. Students not only learned how to play soccer, but also learned yoga and the benefits of good nutrition. She has indeed made a difference in their lives; three talented students have been able to continue soccer lessons in a private league, and the soccer clinics are continuing to provide services in the place where Angeles first began her work.

Earning the Girl Scout Gold Award, Girl Scouting's highest honor, involves a process every bit as rigorous as earning the Eagle Scout rank in Boy Scouts or even becoming a National Merit Scholar. Completing a Gold Award project may take up to two years and is a major milestone for Girl Scouts between the ages of 14 and 18. Only about 5 percent of eligible girls take the tough path toward earning the award, but those who complete the journey change their lives and the lives of others in amazing ways.

- Girls pursuing the Gold Award are recognized as community leaders by virtue of the impact of their projects.
- A number of colleges and universities have recognized the achievement and leadership ability of Gold Award recipients by establishing scholarship programs for them.
- Girls who have earned the Gold Award, having already demonstrated a high level of leadership, enter the armed services one rank higher than other recruits. The Gold Award also influences admission to the service academies such as West Point and Annapolis.
- Girls who have earned the Gold Award may apply their service hours toward earning the President's Volunteer Service Award.

Making It Last

One essential component of every project worthy of a Gold Award is sustainability. In other words, a Girl Scout must take on a project that will continue after her involvement ends—this is at the heart of the leadership and community impact Girl Scouts seeks to engender in girls. As a result, many Gold Award projects incorporate educational components or partnerships with community or civic groups so that the projects can inspire others to keep them going. There are organizations and agencies across the United States, from school systems to homeless shelters to police departments, that continue to use resources developed by a Girl Scout as part of her Gold Award project. In taking advantage of such resources, and in their eagerness to collaborate with Girl Scouts, these nonprofit organizations and agencies give eloquent testimony to the power girls possess to make the world a better place.

The Girl Scout Cookie Program

Shannon, 16
Girl Scouts Heart of New Jersey
Basking Ridge, N.J.

SHARE—Shannon's After-school Reading Exchange—was founded out of a desire to empower girls in East Africa to reach their highest potential through reading. Shannon noted that "collecting book donations and renovating the SHARE classroom was relatively easy; the challenge was convincing the mothers to allow their daughters to stay and read after school—and not be immediately available to do the household chores of collecting water, farming, and caring for siblings." She partnered with Community Solutions for Africa's Development (COSAD), an international nonprofit, and in 2008, created the first SHARE room in the Kiteyagwa Primary School in Bukoba, a rural village in Tanzania. To date, SHARE, whose slogan is, "Today a reader, tomorrow a leader," has expanded to three Tanzanian schools, helping approximately 150 girls improve their reading and English language skills.

Just a Cookie from Muskogee

The career of an American icon was launched in 1917, when Mistletoe Troop in Muskogee, Oklahoma, held the first recorded Girl Scout cookie sale. A few other troops followed suit over the next five years, but Girl Scout cookies remained a sporadic and local affair until 1922, when the Girl Scout national magazine featured a recipe for cookies that girls could sell for four to eight times the cost of ingredients.

Soon Girl Scouts nationwide were baking simple sugar cookies at home, packaging them in wax-paper bags sealed with stickers, and selling them at neighborhood bake sales for 25 to 30 cents per dozen. A successful test market sale in Philadelphia led GSUSA to license its first commercial bakers in 1936, and except for a hiatus during the ingredient shortages of World War II, Girl Scout cookies have been sold continuously ever since.

By 1951, Girl Scouts had developed the cookie variety that has proven irresistible to generations: Chocolate Mints, now known as Thin Mints. The combination of that winning product and the sales force provided by the baby boom caused cookie volume to soar to 55 million boxes a year by the mid-1960s.

Molding Future Leaders

A sharper focus on skill building emerged in the decades that followed. Girl Scout Brownies began selling cookies in the 1970s to help them prepare for future careers, and GSUSA introduced cookie activity program awards in the 1990s for girls from the Brownie level on up.

Today, Girl Scouts attend Cookie College events to learn about topics such as social media marketing, public speaking, culinary science, and "cookienomics." They create business plans, business cards, flyers, and public service ads; track sales and market product online; and sell by the case to local businesses such as banks, hotels, restaurants, realtors, car dealerships, and even income tax preparation companies.

Girl Scout cookies now have their own Web site, Facebook page, and mobile app. In 2011, for the first time, some Girl Scouts accepted credit card payments with their smartphones. These modern business practices support five essential skills that the Girl Scout cookie program has taught for generations: goal setting, decision making, money management, people skills, and business ethics.

Together with the Girl Scout Promise and Law, the cookie program has inspired women leaders like Barbara Krumsiek, CEO and chairwoman of the investment firm Calvert Group Ltd., who credits Girl Scouting with her business success. “My experience as a Girl Scout growing up in Queens, New York, was a huge part of my life,” says Krumsiek. “I always vied for the top selling spot in the cookie program. This experience as a young girl instilled in me the confidence that I could be a leader.”

With the single largest entrepreneurship program for girls on earth, Girl Scouting has an unmatched track record in building women leaders. Illustrious alumnae include the first woman to sit on the Supreme Court, the first woman to serve as president of Harvard University, and the first woman to anchor a network evening newscast.

“Growing up, nothing got my competitive juices flowing like selling Girl Scout cookies. I would always compete with my fellow troopers, not only selling cookies but eating them too. Frozen Thin Mints were my favorite, but I was also a big fan of Trefoils. My current favorite is Tagalongs—my personal nirvana,” says Katie Couric.

“Growing up, nothing got my competitive juices flowing like selling Girl Scout cookies. I would always compete with my fellow troopers, not only selling cookies but eating them too. Frozen Thin Mints were my favorite, but I was also a big fan of Trefoils. My current favorite is Tagalongs—my personal nirvana.”

—Katie Couric, ABC television personality; former anchor, CBS Evening News

The skills girls learn through the Girl Scout cookie program certainly have an annual payoff: in the 2010 program year, some three million girls sold 198 million boxes for a record $714 million in cookie revenue to support Girl Scouting. More importantly, the cookie sale helps give a new generation of girls the courage, confidence, and character to claim their rightful place as leaders.

Maris, 17
Girl Scouts of Louisiana East
New Orleans, La.

Touched by the devastating effects of Hurricane Katrina, Maris decided to contribute to the continuing revitalization efforts in her hometown by addressing New Orleans' lost tree canopy. In partnership with Parkway Partners, a New Orleans-based group dedicated to urban forestation, she organized and led efforts to plant 26 caliper trees in New Orleans East, a section of town north of the Intracoastal Waterway; it was the first tree-planting mission of its kind in the area. Her work not only beautified the area, but also helped foster public awareness of the need to replace trees in post-Katrina New Orleans.

What We Know About Girls

Hosanna, 17
Silver Sage Girl Scout Council
Twin Falls, Idaho

Originally from Fiji, Hosanna moved to the United States following a coup d' état in her homeland. She founded 2-Way Street to empower, enable, and encourage refugee and at-risk immigrant youth to develop a sense of community identity in the United States. With the support of adult and student mentors, community organizations, schools, and various agencies, youth participate in service, educational, and mentorship programs to foster civic responsibility. 2-Way Street's motto is, "It takes all of us to do what we are called to do." Hosanna and 2-Way Street motivate youth to reach their full potential, providing a valuable asset to both youth and their respective communities.

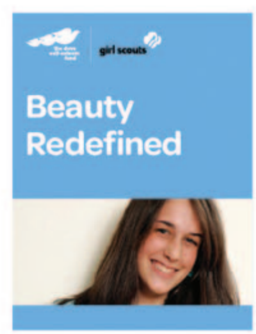
GSUSA is an internationally respected thought leader on girls and girls' issues, with a record of groundbreaking research that goes back more than 20 years. As well, GSUSA is an influential voice in public policy that affects girls. Why does it matter what girls think, feel, or believe? Because they grow up to be women who will be essential in helping lead the United States and the world into future success. When today's girls are devalued through lack of financial support, cultural bias, and inappropriate messages in the media, everyone suffers tomorrow.

Live Healthy, Lead Healthy

In 2010, GSUSA tackled the "negative images" issue head-on with the Healthy Media for Youth Summit and the introduction of the related Healthy Media for Youth Act (H.R. 4925). The summit—part of a wider effort by Girl Scouts at federal, state, and local levels known as Live Healthy, Lead Healthy—drew participation from Academy Award-winning actress Geena Davis and other leaders in entertainment, policy, business, and youth-serving communities.

The legislation was introduced by U.S. Representatives Tammy Baldwin (D-WI) and Shelley Moore Capito (R-WV) to promote positive images of girls and women in the media. The bill, developed in close collaboration with GSUSA, gave rise to a competitive grant program to encourage and support media literacy programs and youth empowerment groups, facilitates research on the ways that the depiction of women and girls in media affects youth, and established the National Taskforce on Women and Girls in the Media.

Much of the impetus for the Healthy Media for Youth Summit stemmed from *Beauty Redefined*, a Girl Scout Research Institute study underwritten by Dove/Unilever regarding body image. It showed, for example, that nearly nine of ten girls surveyed believe the media and/or fashion industry put(s) a lot of pressure on them to be thin—all the while realizing that the fashion industry's models are "too skinny" (65%), "unrealistic" (63%), and "unhealthy" (46%).



Good Intentions

Also of note is *Good Intentions: The Beliefs and Values of Teens and Tweens Today*. This study, which involved 3,263 girls and boys in third through twelfth grade, provided a rare look at the way today's girls perceive smoking, drinking, lying, cheating, and the like. It revealed that more American teenagers say they would make responsible choices in terms of these behaviors than their counterparts of generations past. It also showed a marked shift toward more ethical and responsible beliefs and values and civic involvement among teens and tweens. Girls of today, it appears, are ready and willing to take the lead in making the world a better place for all—they simply need the skills and guidance to do so.

Outcomes of the Leadership Experience

Alongside the groundbreaking studies being conducted by the Girl Scout Research Institute, GSUSA is evaluating the effectiveness of its own programming. With the help of an expert advisory board, GSUSA has identified fifteen desired outcomes of the Girl Scout Leadership Experience that demonstrate that girls involved in Girl Scouting are discovering themselves, connecting with others, and taking action to make the world a better place. These outcomes include, for example, developing healthy relationships, seeking challenges in the world, being a resourceful problem-solver, and being able to identify community needs. Girls' progress toward these outcomes is being measured to ensure that programming is doing what it is designed to do.

For GSUSA, the new outcomes offer an opportunity to better understand and refine programs for maximum effectiveness. For the donor community, there is now the ability to see direct, tangible, long-reaching results in exchange for support given. And for the general public, GSUSA now offers a different level of proof that involvement in Girl Scouts is about more than just camping and cookie sales; it is a leadership experience with vision, consistency, and verifiable worth to girls, their communities, and the world.

Monisha, 17
Girl Scouts of Northern California Cupertino, Calif.

Monisha's compassion for children with disabilities was the motivation for the Indian Disability Center. "People who are visually impaired in poor countries like India are often the most persecuted and have the least chance of climbing out of poverty," she said. "The odds are stacked against them from birth, as there is nothing to help them gain an education." Monisha discovered that fewer than five percent of reading materials are in an accessible format such as Braille or talking books. She established a free learning center in the region of Chennai, India, exclusively for people who are visually impaired. At the center, they can use assistive technologies to browse the Internet, access important educational and informational materials, or simply check e-mails and keep in touch with friends and family.

Making the World a Better Place

Malia, 16
Girl Scouts of Greater Los Angeles
La Cañada, Calif.

After researching a high-traffic area where trucks were repeatedly involved in collisions, Malia discovered that the California Department of Transportation had erroneously noted that trucks were not allowed on the route. Malia also learned that GPS devices were directing trucks to the hazardous area and that there were no road signs to warn drivers of the impending steep mountain area. She advocated for a law to ban trucks from the route by letter-writing, petition-signing, public speaking, and testifying before the state legislature's transportation committee. After her research, another truck accident occurred—killing two people and injuring a dozen others. In August 2009, a law to ban trucks on Angeles Crest Highway was passed because of her efforts.

Global Girl Scouting ensures that girls have opportunities to explore their relationship with the larger world, helping them to develop into responsible global citizens.

Girl Scouting is truly a global movement, and this global sisterhood has never been more important as girls in many countries face systemic issues associated with inequality, including inadequate educational opportunities as well as exposure to abuse and violence.

There is another dimension to Girl Scouts being global as well. We live in an increasingly interconnected world, and to be effective leaders, girls want to understand the wider world around them and their place in it. As part of the Girl Scout movement, every Girl Scout has a global connection, whether she travels overseas or not. This international connection and presence comes through participation in the World Association of Girl Guides and Girl Scouts (WAGGGS).

WAGGGS, with more than 10 million members in 145 countries, is the largest voluntary organization in the world dedicated to girls and young women. In 2010, WAGGGS began a three-year centennial celebration in honor of the approximately 250 million Girl Guides and Girl Scouts who have changed lives and built a better world over the last century. The organization has also launched the Global Girls Fund to raise £10 million (a little over $16 million) to develop international projects and programs that will ensure every girl has the opportunity to reach her full potential. GSUSA is poised to celebrate its own centennial in 2012 by launching a capital campaign and a major initiative on behalf of girls.

Also enabling Girl Scouting's international reach is USA Girl Scouts Overseas (USAGSO), which serves American girls living abroad and attending American or international schools. In 2010, USAGSO served approximately 16,000 girl members in some 92 countries. Whether it's a Girl Scout Daisy troop in Singapore, a mixed age-level group in Switzerland, or a Girl Scout Brownie troop in France, Girl Scouts is there to offer them, as well as their families, a sense of security and belonging.

In many ways, Global Girl Scouting continues the vision of Juliette Gordon Low, whose dream was to spread Girl Scouting around the world—to promote goodwill and friendship among the world's children, leading them in turn to work toward world peace. "Girl Scouting and Girl Guiding," she said, "can be the magic thread which links the youth of the world together."

The Year that Was

Vivian, 16
Girl Scouts of Central Texas
Austin, Texas

Following a devastating earthquake in Sichuan, China, Vivian focused on the children affected by the disaster. She created Adopt-a-Pal, with a goal of fostering fellowship between American teens and Chinese children who had lost their parents or were disabled during the earthquake. She recruited American teenagers fluent in Chinese to serve as pen pals with the Chinese children. She prepared the volunteers to write letters to address the specific needs of the children, and she sent them a 71-pound care package that included high-quality backpacks, MP3 players, journals, and school supplies. The pen pals continue to correspond.

The First Lady and Girl Scouting

Early in the 2010 fiscal year, GSUSA announced that First Lady Michelle Obama had agreed to serve as its honorary national president. "It is my great pleasure to serve as honorary national president of Girl Scouts," Mrs. Obama said. "With their innovative new programming, groundbreaking research, and emphasis on service and leadership, Girl Scouts is preparing the women of tomorrow to be a positive force for change—in their own lives, in their communities, and across the globe."

In accepting the position, Mrs. Obama continues a tradition dating back to 1917, when First Lady Edith B. Wilson became the first honorary national president of the Girl Scout movement. Since then, each successive first lady has served in this post.

Commemorative Coin

Another gratifying recognition of Girl Scouting from Washington came when President Barack Obama signed the Girl Scouts USA Centennial Commemorative Coin Act, authorizing the minting of 350,000 silver-dollar coins in honor of Girl Scouts. The bill in the House of Representatives (H.R. 621), sponsored by U.S. Representative Jack Kingston (R-Georgia), easily passed by a voice vote, with more than 300 co-sponsors. A companion Senate bill (S. 451) sponsored by U.S. Senator Susan Collins (R-Maine), also passed unanimously.

Ten dollars from the sale of each coin will go to GSUSA to help fund much-needed renovations at the Juliette Gordon Low Birthplace in Savannah, Georgia. The bill also calls for the secretary of the treasury, in collaboration with GSUSA and the Commission of Fine Arts, to design the coin in a manner "emblematic of the centennial of Girl Scouts."

The coin will be minted and sold in 2013, marking the end of Girl Scouts' yearlong 100th anniversary celebration and the climax of the 2012–2013 Year of the Girl.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GIRL SCOUTS USA
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Another Side of Girl Scouting

In delivering services to girls, our commitment is to go where the need is. GSUSA was assisted in meeting part of this commitment in 2010 with a grant from the Department of Justice's Office of Juvenile Justice and Delinquency Prevention that enabled us to fund 10 Girl Scouts Beyond Bars council programs. These programs, which assist girls in maintaining family contact while their mothers are in prison, currently impact the lives of 521 girls and 403 mothers serving time in 16 facilities across 10 states.

Also in 2010, thanks to funding from the same office of the Justice Department, GSUSA was able to offer Girl Scouting in 13 detention centers, impacting the lives of 2,460 girls who have been placed via court-ordered mandate in 33 facilities across 13 states. A troop leader recently shared a conversation with one of these girls in Eastern Oklahoma:

"This particular girl, a seven-year-old, sat down next to me and t old me about being bullied in school. 'Last year,' she said, 'my classmate pushed me down the stairs and my stomach hurt all day.' I asked her if an adult—or for that matter, any of her friends—had done anything about it. 'No,' she said, 'no one.' She looked up at me. 'But this year will be better, because I joined Girl Scouts and met you. Now I have somebody to help me.'"

Hanna, 18
Girl Scouts of North-Central Alabama
Birmingham, Ala.

Hanna's personal struggle with dyslexia inspired her to help others. She wrote an online book, Help for Hanna, which chronicles Hanna's early experiences with the disability. "I hope that my book helps many children receive the early intervention needed to be successful in life." Hanna also wanted to provide parents with the top signs and symptoms of dyslexia. "Dyslexia is often viewed as an 'invisible disability.' What's more, many school systems fail to recognize dyslexia as a disability, preventing children from receiving the help they need." Hanna's online book is a universal educational tool for people of all ages.

Membership

Girl Scout Membership

September 30, 2010

State/Area	Girls	Adults	Total
Alabama	18,743	8,363	27,106
Alaska	5,103	2,068	7,171
Arizona	38,182	12,512	50,694
Arkansas	10,696	5,047	15,743
California	197,588	105,616	303,204
Colorado	29,494	9,412	38,906
Connecticut	44,821	18,708	63,529
District of Columbia	3,664	1,008	4,672
Delaware	9,388	3,199	12,587
Florida	97,195	38,779	135,974
Georgia	57,814	23,854	81,668
Hawaii	2,357	1,894	4,251
Idaho	6,314	2,685	8,999
Illinois	136,247	36,924	173,171
Indiana	58,999	21,642	80,641
Iowa	29,360	7,892	37,252
Kansas	30,109	9,503	39,612
Kentucky	34,175	9,840	44,015
Louisiana	20,692	8,357	29,049
Maine	11,538	4,221	15,759
Maryland	53,060	21,937	74,997
Massachusetts	56,551	23,291	79,842
Michigan	74,919	27,986	102,905
Minnesota	52,227	19,919	72,146
Mississippi	10,848	4,420	15,268
Missouri	85,570	27,450	113,020
Montana	4,305	1,613	5,918

State/Area	Girls	Adults	Total
Nebraska	18,636	6,729	25,365
Nevada	12,062	3,770	15,832
New Hampshire	11,180	3,748	14,928
New Jersey	97,475	47,539	145,014
New Mexico	7,782	3,325	11,107
New York	152,175	57,040	209,215
North Carolina	64,154	23,778	87,932
North Dakota	4,215	1,533	5,748
Ohio	117,348	37,127	154,475
Oklahoma	20,472	6,648	27,120
Oregon	16,769	9,961	26,730
Pennsylvania	104,118	38,776	142,894
Puerto Rico	6,344	2,351	8,695
Rhode Island	7,257	2,058	9,315
South Carolina	21,059	9,772	30,831
South Dakota	6,294	2,153	8,447
Tennessee	34,711	13,893	48,604
Texas	192,089	68,075	260,164
Utah	8,116	3,351	11,467
Vermont	4,181	1,552	5,733
Virginia	71,368	30,323	101,691
Washington	34,652	17,695	52,347
West Virginia	11,763	3,753	15,516
Wisconsin	64,918	18,200	83,118
Wyoming	2,440	863	3,303
Overseas	31,851	6,751	38,602
Total	**2,303,388**	**878,904**	**3,182,292**

The state totals do not include national volunteers and national staff members, who are reflected in the total membership figures. In addition, these figures are necessarily estimates because many Girl Scout council jurisdictions extend into adjoining areas.

Racial/Ethnic Membership

September 30, 2010

Racial/Ethnic Group	GIRLS 2010 Membership	GIRLS % of Membership	ADULTS 2010 Membership	ADULTS % of Membership	TOTAL 2009 Membership	TOTAL 2010 Membership	TOTAL % Change
American Indian	19,349	1%	5,514	1%	28,909	24,863	-14.0%
Asian/American	56,923	2%	20,952	2%	80,406	77,875	-3.1%
Black/African American	262,943	11%	43,149	5%	342,712	306,092	-10.7%
Hawaiian/Pacific Islander	4,643	0%	1,988	0%	7,325	6,631	-9.5%
White	1,583,035	69%	696,329	79%	2,430,648	2,279,364	-6.2%
Two or More Races	58,811	3%	7,934	1%	59,230	66,745	12.7%
Other Races	74,810	3%	12,562	1%	100,999	87,372	-13.5%
Race Not Reported	242,557	11%	90,461	10%	279,911	333,018	19.0%
Total	**2,303,388**	**100.0%**	**878,904**	**100.0%**	**3,330,140**	**3,182,292**	**-4.4%**
Hispanic	272,374	12.0%	48,408	6%	338,822	320,782	-5.3%

*Hispanic (or Latina/Latino) is defined as an ethnicity (and not a race) and is therefore reported separately. A member who reports having both an ethnicity and a race will be double counted if race and ethnicity counts are added together.

Financial Report

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the Girl Scouts of the United States of America:

We have audited the accompanying consolidated statement of financial position of the Girl Scouts of the United States of America (the "Organization") as of September 30, 2010, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's fiscal 2009 consolidated financial statements and in our report dated January 26, 2010, we expressed an unqualified opinion on those financial statements.

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 Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Girl Scouts of the United States of America as of September 30, 2010, and the consolidated changes in their net assets and their consolidated cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York

January 21, 2011

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30, 2010 and 2009

	2010	2009
ASSETS		
ASSETS:		
Cash and cash equivalents	**$ 12,834,000**	$ 5,686,000
Accounts receivable, net of allowance for doubtful accounts of approximately $101,000 in 2010 and $103,000 in 2009	**7,646,000**	6,727,000
Inventories, net	**7,784,000**	7,827,000
Prepaid expenses	**1,206,000**	1,072,000
Investments	**115,064,000**	109,272,000
Contributions and deferred gifts receivable, net	**2,311,000**	4,359,000
Funds held in trust for others	**821,000**	916,000
Property and equipment, net	**21,478,000**	23,405,000
Total assets	**$ 169,144,000**	$ 159,264,000
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued liabilities	**$ 9,991,000**	$ 8,149,000
Pension liability	**37,184,000**	27,092,000
Funds held in trust for others	**821,000**	916,000
Deferred revenues:		
Membership dues	**9,111,000**	4,218,000
Other	**11,000**	19,000
Total liabilities	**57,118,000**	40,394,000
NET ASSETS:		
Unrestricted:		
General fund	**1,399,000**	1,399,000
Pension fund	**(43,508,000)**	(34,644,000)
Property and equipment	**29,153,000**	30,718,000
Board designated	**91,377,000**	88,905,000
	78,421,000	86,378,000
Temporarily restricted	**14,626,000**	14,871,000
Permanently restricted	**18,979,000**	17,621,000
Total net assets	**112,026,000**	118,870,000
Total liabilities and net assets	**$ 169,144,000**	$ 159,264,000

The accompanying notes are an integral part of this consolidated statement.

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended September 30, 2010, with summarized comparative financial information for 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
OPERATING REVENUES:					
Membership dues	$ 37,076,000	$ –	$ –	**$ 37,076,000**	$ 32,518,000
Girl Scout merchandise sales and other income, net of related costs	17,003,000	–	–	**17,003,000**	16,696,000
Gifts, grants and bequests	3,361,000	1,806,000	–	**5,167,000**	4,367,000
Training/meeting revenue	4,375,000	–	–	**4,375,000**	5,174,000
Contributed advertising	6,831,000	–	–	**6,831,000**	194,000
Investment income allocation	2,709,000	782,000	–	**3,491,000**	6,051,000
Other	681,000	31,000	–	**712,000**	630,000
Total operating revenue	72,036,000	2,619,000	–	**74,655,000**	65,630,000
Net assets released from restrictions	4,874,000	(4,874,000)	–	**–**	–
Total operating revenue	76,910,000	(2,255,000)	–	**74,655,000**	65,630,000
OPERATING EXPENSES:					
Program services:					
Service delivery to local councils	27,783,000	–	–	**27,783,000**	28,523,000
Program development and training	24,267,000	–	–	**24,267,000**	23,345,000
Communications:					
Contributed advertising	6,831,000	–	–	**6,831,000**	194,000
Other	10,151,000	–	–	**10,151,000**	10,361,000
International services	2,846,000	–	–	**2,846,000**	3,338,000
Total program expenses	71,878,000	–	–	**71,878,000**	65,761,000
Supporting services:					
Fundraising	2,001,000	–	–	**2,001,000**	1,507,000
Management and general	5,698,000	–	–	**5,698,000**	6,122,000
Total supporting services	7,699,000	–	–	**7,699,000**	7,629,000
Total operating expenses	79,577,000	–	–	**79,577,000**	73,390,000
Operating deficit	(2,667,000)	(2,255,000)	–	**(4,922,000)**	(7,760,000)
NONOPERATING REVENUE, GAINS AND LOSSES:					
Endowment contributions	–	–	874,000	**874,000**	1,701,000
Change in value of deferred gifts	–	16,000	5,000	**21,000**	(191,000)
Net investment income/(loss) in excess of income allocation	4,579,000	1,460,000	7,000	**6,046,000**	(7,357,000)
Pension related expenses other than net periodic pension cost	(8,863,000)	–	–	**(8,863,000)**	(29,639,000)
Total nonoperating revenue, gains and losses	(4,284,000)	1,476,000	886,000	**(1,922,000)**	(35,486,000)
Change in net assets before effect of adoption of accounting standard	(6,951,000)	(779,000)	886,000	**(6,844,000)**	(43,246,000)
Effect of adoption of measurement provisions of accounting standard	–	–	–	**–**	(525,000)
Change in net assets	(6,951,000)	(779,000)	886,000	**(6,844,000)**	(43,771,000)
Net assets, beginning of year	86,378,000	14,871,000	17,621,000	**118,870,000**	162,641,000
Net asset reclassification	(472,000)	–	472,000	**–**	–
Cumulative effect of adoption of UPMIFA	(534,000)	534,000	–	**–**	–
Net assets, end of year	$ 78,421,000	$ 14,626,000	$ 18,979,000	**$112,026,000**	$ 118,870,000

The accompanying notes are an integral part of this consolidated statement.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2010, with summarized comparative financial information for 2009

PROGRAM SERVICES:	Service Delivery to Local Councils	Program Development and Training	Communications	International Services	Total
Salaries and related benefits	$ 14,909,000	$ 8,215,000	$ 4,291,000	$ 709,000	$ 28,124,000
Travel and related expenses	1,513,000	629,000	239,000	100,000	2,481,000
Nonstaff services	469,000	2,777,000	614,000	6,000	3,866,000
Professional services	2,241,000	1,440,000	3,301,000	54,000	7,036,000
Rent, occupancy and depreciation	2,488,000	3,595,000	823,000	131,000	7,037,000
Office, publishing and technology	3,542,000	1,742,000	565,000	137,000	5,986,000
Contributed airtime	–	–	6,831,000	–	6,831,000
Grants and scholarships	2,115,000	4,005,000	–	199,000	6,319,000
Other expenses	506,000	1,864,000	318,000	1,510,000	4,198,000
Total expenses	$ 27,783,000	$ 24,267,000	$ 16,982,000	$ 2,846,000	$ 71,878,000

CONSOLIDATED STATEMENTS OF CASH FLOW

For the years ended September 30, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	**$ (6,844,000)**	$ (43,771,000)
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Depreciation	**2,991,000**	2,693,000
Change in allowance for doubtful accounts	**2,000**	(11,000)
Provision for inventory	**27,000**	808,000
Change in discount on contributions receivable	**17,000**	58,000
Net realized (gains) losses on sales of investments	**(1,197,000)**	6,738,000
Change in appreciation on investments and deferred gifts	**(6,780,000)**	(2,603,000)
Contributions restricted for investment in permanently restricted net assets	**(874,000)**	(1,401,000)
Effect of adoption of measurement provisions of accounting	**–**	525,000
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	**(917,000)**	815,000
Decreases in inventories	**16,000**	803,000
(Increase) decrease in prepaid expenses	**(134,000)**	1,220,000
Decrease in prepaid pension cost	**–**	1,170,000
Decrease in contributions and deferred gifts receivable	**2,031,000**	1,795,000
Decrease in funds held in trust for others	**95,000**	104,000
Increase in pension liability	**10,092,000**	26,567,000
Increase (decrease) in accounts payable and accrued liabilities	**1,579,000**	(5,776,000)
Decrease in funds held in trust for others	**(95,000)**	(104,000)
Increase (decrease) in deferred revenues	**4,885,000**	(169,000)
Net cash provided by (used in) operating activities	**4,894,000**	(10,539,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	**(801,000)**	(968,000)
Proceeds from sales of investments	**64,195,000**	53,116,000
Purchases of investments	**(62,014,000)**	(50,966,000)
Net cash provided by investing activities	**1,380,000**	1,182,000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for investment in permanently restricted net assets	**874,000**	1,401,000
Increase (decrease) in cash and cash equivalents	**7,148,000**	(7,956,000)
Cash and cash equivalents, beginning of year	**5,686,000**	13,642,000
Cash and cash equivalents, end of year	**$ 12,834,000**	$ 5,686,000

The accompanying notes are an integral part of these consolidated statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONT'D)

For the year ended September 30, 2010, with summarized comparative financial information for 2009

SUPPORTING SERVICES:	Fundraising	Management and General	Total	2010 Total	2009 Total
Salaries and related benefits	$ 1,109,000	$ 3,397,000	$ 4,506,000	**$ 32,630,000**	$ 31,127,000
Travel and related expenses	69,000	247,000	316,000	**2,797,000**	3,912,000
Nonstaff services	13,000	191,000	204,000	**4,070,000**	4,787,000
Professional services	132,000	999,000	1,131,000	**8,167,000**	8,718,000
Rent, occupancy and depreciation	377,000	186,000	563,000	**7,600,000**	7,095,000
Office, publishing and technology	272,000	389,000	661,000	**6,647,000**	7,324,000
Contributed airtime	–	–	–	**6,831,000**	194,000
Grants and scholarships	–	–	–	**6,319,000**	3,687,000
Other expenses	29,000	289,000	318,000	**4,516,000**	6,546,000
Total expenses	$ 2,001,000	$ 5,698,000	$ 7,699,000	**$ 79,577,000**	$ 73,390,000

The accompanying notes are an integral part of this consolidated statement.

Notes to Consolidated Financial Statements

1. NATURE OF OPERATIONS

The accompanying consolidated financial statements include the assets, liabilities, net assets, revenues and expenses of Girl Scouts of the United States of America and its wholly owned subsidiary, New York Girl Scouts, Inc. (collectively referred to as the "Organization"). All significant intercompany transactions and balances have been eliminated in consolidation.

The purpose of the Organization is to promote the Girl Scout movement by directing and coordinating the movement and by providing and administering the Girl Scout program. This national organization provides services to its chartered councils. In providing these services, the Organization is exempt from federal income tax in accordance with Section 501(c)(3) of the Internal Revenue Code. The accompanying consolidated financial statements do not include the assets, liabilities, net assets, revenues and expenses of the chartered councils, which are governed by separate boards of directors. Total sales to chartered councils were approximately $30,616,000 and $30,219,000 in fiscal 2010 and 2009, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Organization:

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> *Unrestricted net assets:* Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired. All gifts, grants and bequests are considered unrestricted unless specifically restricted by the donor. Unrestricted net assets include those net assets which have been designated by the Board of Directors for specific purposes as well as undesignated amounts for the working capital General Fund and the changes in the accounting for the pension plan.
>
> *Temporarily restricted net assets:* Net assets that are subject to donor-imposed restrictions either for use during a specified time period and/or for a particular purpose. When a donor-imposed restriction is fulfilled or when a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions.
>
> *Permanently restricted net assets:* Net assets that are subject to donor-imposed restrictions whereby the corpus must be maintained in perpetuity by the Organization. The donors of these assets allow the Organization to use all or part of the income earned on related investments for unrestricted or restricted purposes.

Revenue Recognition

Membership dues are recorded when received and are recognized as revenue during the applicable membership period. Membership dues collected prior to September 30 which relate to the next fiscal year are deferred until earned and are recorded as deferred membership dues on the accompanying consolidated statements of financial position. Lifetime membership dues are reflected as endowment contributions in the accompanying consolidated statement of activities and are intended to be held in perpetuity. Girl Scout Merchandise ("GSM") sales are recorded when orders are shipped. Royalty income is recognized when earned. Contributions, including unconditional promises to give, are recognized as revenue in the year in which an unconditional promise to give is received and are considered to be available for unrestricted use unless specifically restricted by the donor. Restricted contributions are accounted for as temporarily restricted or permanently restricted net assets. The Organization acts as an agent for specific grants designated for local councils and, as such, does not recognize those amounts as revenue. Upon receipt of such funding, the Organization records an asset and related liability until the funds are transferred to the local councils in accordance with the grant provisions. Conference revenues and expenses are reported in the fiscal year in which the conference is held. Amounts received in advance from attendees or costs paid in advance by the Organization for conferences occurring in the following fiscal year are deferred.

Contributions Receivable

Unconditional promises to give that are expected to be collected within a year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their estimated present value using a risk adjusted rate. An allowance is recorded for estimated uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors, as necessary.

Deferred Gifts Receivable and Funds Held in Trust for Others

The Organization has been named as the sole or participating beneficiary in several charitable remainder trusts and perpetual trusts held by third-party trustees. A charitable remainder trust is an arrangement in which a donor establishes a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term. The Organization will receive its share of the assets remaining upon the termination of the charitable remainder trust. A perpetual trust held by a third party is an arrangement in which a donor establishes and funds a perpetual trust administered by a third party other than the beneficiary or beneficiaries. Under the terms of the perpetual trust, the beneficiary or beneficiaries have the right to receive the income earned on the trust assets in perpetuity, but never receive the assets held in the trust.

The Organization has recorded the estimated fair value of its interests in the trusts' assets as either temporarily or permanently restricted net assets, in accordance with the trusts' terms.

The Organization is acting as an agent for funds held in trust for local councils associated with the pooled income fund and certain charitable remainder trusts. These funds are distributed to the local councils in accordance with donors' intentions.

Operating Measure

Operating revenues and expenses reflect the activities in which the Organization typically engages to fulfill its mission. The Organization utilizes a spending rate in making its annual investment allocation for support of operations. Investment income, including net realized and unrealized gains and losses, earned in excess of or less than the Organization's spending rate is recognized within nonoperating revenue, gains and losses.

Fair Value Measurements

The Organization previously adopted guidance that establishes a framework for measuring fair value by utilizing a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. This guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a NAV per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which is generally considered to be within 90 days.

Level 3 - Securities that have little to no pricing observability. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at the NAV or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument (see Note 4).

In 2010, the Organization adopted new Financial Accounting Standards Board ("FASB") guidance related to fair value measurements and disclosure of investments in certain entities that do not have a quoted market price but that calculate net asset value ("NAV") per share or its equivalent. As a practical expedient, the guidance permits, but does not require, the Organization to measure fair value of an investment in an investee within the scope of the amendments based on the investee's NAV per share or its equivalent. As a result of applying the practical expedient, the fair value of certain of the Organization's investments in alternative investments was determined based on the reported NAV beginning with the September 30, 2010 valuation. The adoption of this guidance did not have a material impact on the fair values of applicable investments; however, the use of the practical expedient required additional disclosures. See Note 4 for additional details.

Cash and cash equivalents, receivables, other assets, accounts payable, accrued expenses and other liabilities: The carrying amounts reported in the accompanying consolidated statements of financial position approximate fair value.

Investments in mutual funds are valued based on published unit values. Investments in common stock are stated at quoted prices in an active market. Investments are pooled and the related investment income is allocated on a pro rata basis to the respective net asset classes.

Alternative investments are stated at fair value based on valuations provided by the external investment managers or by the general partner or manager. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Fair value of the alternative investments is determined by management based on information provided by the investment manager or general partner.

Investments in real estate are carried at estimated fair value based upon valuations performed by the investment managers and upon appraisal reports prepared annually by independent real estate appraisers.

Accounts Receivable

Accounts receivable primarily represent amounts due from Girl Scouts councils and other vendors for Girl Scouts merchandise, and amounts due from Girl Scouts councils for membership dues payments.

Inventories

Inventories are stated at the lower of weighted-average cost or market value.

Property and Equipment

Property and equipment are included in the accompanying consolidated financial statements at cost or, if contributed, at the approximate fair value at the date of the gift. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. The Organization capitalizes all property and equipment with a cost of at least $1,500 and an estimated useful life of more than one year. Software that has been purchased and developed for internal use and related upgrades and enhancements that result in additional functionality of the software are included in property and equipment. Depreciation is recorded on a straight-line basis over the estimated useful lives of the software development costs.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and investments with maturities of three months or less, excluding cash and cash equivalents held as part of the investment portfolio.

The carrying amounts reported in the consolidated statements of financial position for cash and cash equivalents approximate fair value. At September 30, 2010, the majority of cash and cash equivalents were held by two major U.S. financial institutions

Functional Expenses

The majority of expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using bases determined by management to be reasonable.

For the year ended September 30, 2010, the Organization's total costs and expenses were approximately $107,749,000, consisting of program services expenses of approximately $99,507,000 (including GSM cost of sales and expenses of approximately $27,629,000), fundraising expenses of approximately $2,001,000 and management and general expenses of approximately $6,241,000 (including investment manager expenses of approximately $543,000).

For the year ended September 30, 2009, the Organization's total costs and expenses were approximately $103,529,000, consisting of program services expenses of approximately $95,411,000 (including GSM cost of sales and expenses of approximately $28,879,000), fundraising expenses of approximately $1,507,000 and management and general expenses of approximately $6,611,000 (including investment manager expenses of approximately $489,000).

Advertising Costs and Contributed Airtime

Advertising costs are expensed as incurred. Advertising costs totaled approximately $7,084,000 and $516,000 in fiscal 2010 and 2009, respectively. Of these advertising costs, approximately $253,000 and $322,000 was paid in cash in fiscal 2010 and 2009, respectively.

The Organization receives in-kind contributions primarily in the form of donated advertising on television, radio stations and in print. The value of such in-kind contributions, based upon information provided by a third-party advertising service, approximated $6,831,000 and $194,000 for the years ended September 30, 2010 and 2009, respectively, and is reflected in the accompanying consolidated financial statements as contributed advertising revenue and communications expense.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions relate to the determination of allowances for doubtful accounts for merchandise sales, inventory obsolescence, and contributions receivable; the determination of year-end operating accruals; the useful lives assigned to fixed assets; actuarial assumptions used in estimating the pension liability; and the reported fair values of certain of the Organization's financial instruments, particularly non-marketable investments such as private equity, real estate, and hedge fund investments. Actual results may differ from those estimates.

Concentration of Credit Risk

Cash, cash equivalents, and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the Organization has a diversified portfolio in a variety of asset classes managed by independent investment managers. The Organization's cash, cash equivalents and investments were placed with high credit quality financial institutions. The Organization regularly evaluates its investments including performance thereof. Due to inherent risks and potential volatility in investment valuations, the amounts reported in the accompanying consolidated financial statements can vary substantially from year to year. The Organization maintains its cash in various bank deposit accounts that, at times, may exceed federally insured limits; however, the Organization has not experienced, nor does it anticipate, any losses in such accounts.

Income Taxes

The Organization adopted new guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the consolidated financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The standard also provides guidance on measurement, classification, interest and penalties, and disclosure. This standard had no material impact on the accompanying consolidated financial statements. The tax years ended 2007, 2008, and 2009 are still open to audit for both federal and state purposes. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

2009 Summarized Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements as of and for the year ended September 30, 2009, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year's presentation. Certain amounts have been reclassified between unrestricted and permanently restricted net assets.

3. INVENTORIES

Inventories in warehouses and at suppliers were comprised approximately of the following at September 30, 2010 and 2009:

	2010	2009
Work in process	**$ –**	$ 27,000
Finished goods	**7,784,000**	7,800,000
	$ 7,784,000	$ 7,827,000

Finished goods inventories are net of a reserve for obsolescence of approximately $881,000 and $1,364,000 at September 30, 2010 and 2009, respectively.

4. INVESTMENTS

Investments were comprised approximately of the following at September 30, 2010 and 2009:

	2010	2009
Common stocks:		
Core domestic equities	**$ 38,413,000**	$ 34,977,000
Small capitalization equities	**11,926,000**	10,750,000
Mutual funds:		
Fixed income	**21,823,000**	20,336,000
Core domestic equities	**5,041,000**	4,686,000
Foreign markets	**19,391,000**	18,031,000
Alternatives:		
Private equities	**2,938,000**	2,026,000
Hedge funds	**11,716,000**	14,047,000
Real estate	**3,373,000**	3,396,000
Short-term investments	**443,000**	1,023,000
	$ 115,064,000	$ 109,272,000

Alternative investments represent hedge fund, limited partnership and similar interests held by the Organization in funds that invest in public and private securities and follow a variety of investment strategies. Terms and conditions of these investments, including liquidity provisions, are different for each fund. The Organization believes that the carrying amount of its alternative investments was a reasonable estimate of the fair value of such investments at September 30, 2010 and 2009. As is typical of investment portfolios of similar types of institutions, alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

The Organization invests in hedge funds, which invest in a variety of investments through separate investment entities where an equity interest is acquired. While these investments may create indirect exposure to the Organization through trading in foreign currency forward contracts, the Organization's risk is limited to its capital balance in these investments.

The Organization utilizes a spending rate policy to make an annual investment income allocation for the support of operations of 3% of the average market value of the Organization's investment portfolio over the last four years.

Investment income has been reported as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
Interest and dividends, net of investment manager expenses of approximately $543,000 and $489,000 in fiscal 2010 and 2009, respectively	$ 1,194,000	$ 366,000	$ –	$ 1,560,000	$ 2,829,000
Net realized gains (losses) on sale of investments	914,000	282,000	1,000	1,197,000	(6,738,000)
Change in net unrealized gains on investments	5,180,000	1,594,000	6,000	6,780,000	2,603,000
Total return on investments	7,288,000	2,242,000	7,000	9,537,000	(1,306,000)
Investment income allocation used for current operations	(2,709,000)	(782,000)	–	(3,491,000)	(6,051,000)
Net investment gain (loss) in excess of income allocation	$ 4,579,000	$ 1,460,000	$ 7,000	$ 6,046,000	$ (7,357,000)

The fair values of the investment securities, classified by level, as of September 30, 2010 are as follows:

	Level 1	Level 2	Level 3	Total
Common Stock:				
Core domestic equities	$ 38,413,000	$ –	$ –	**$ 38,413,000**
Small capitalization equities	11,926,000	–	–	**11,926,000**
Mutual Funds:				
Fixed income	21,823,000	–	–	**21,823,000**
Core domestic equities	5,041,000	–	–	**5,041,000**
Foreign markets	19,391,000	–	–	**19,391,000**
Alternatives:				
Private equity	–	–	2,938,000	**2,938,000**
Hedge funds	–	–	11,716,000	**11,716,000**
Real estate	–	–	3,373,000	**3,373,000**
Short-term investments	443,000	–	–	**443,000**
Total assets at fair value	$ 97,037,000	$ –	$ 18,027,000	**$ 115,064,000**

The fair values of the investment securities, classified by level, as of September 30, 2009 are as follows:

	Level 1	Level 2	Level 3	Total
Common Stock:				
Core domestic equities	$ 34,977,000	$ –	$ –	**$ 34,977,000**
Small capitalization equities	10,750,000	–	–	**10,750,000**
Mutual Funds:				
Fixed income	20,336,000	–	–	**20,336,000**
Core domestic equities	4,686,000	–	–	**4,686,000**
Foreign markets	15,477,000	2,554,000	–	**18,031,000**
Alternatives:				
Private equity	–	–	2,026,000	**2,026,000**
Hedge funds	–	–	14,047,000	**14,047,000**
Real estate	–	–	3,396,000	**3,396,000**
Short-term investments	1,023,000	–	–	**1,023,000**
Total assets at fair value	$ 87,249,000	$ 2,554,000	$ 19,469,000	**$ 109,272,000**

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value as of September 30, 2010.

	Private Equity	Hedge Funds	Real Estate	Total
Balance, October 1, 2009	$ 2,026,000	$ 14,047,000	$ 3,396,000	$ 19,469,000
Realized gains (losses)	(17,000)	930,000	–	913,000
Unrealized gains (losses)	247,000	220,000	(23,000)	444,000
Purchases, sales, issuances and settlements (net)	682,000	(3,481,000)	–	(2,799,000)
Balance September 30, 2010	**$ 2,938,000**	**$ 11,716,000**	**$ 3,373,000**	**$ 18,027,000**

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value as of September 30, 2009.

	Private Equity	Hedge Funds	Real Estate	Total
Balance, October 1, 2008	$ 1,779,000	$ 11,729,000	$ 6,488,000	$ 19,996,000
Realized losses	(28,000)	(112,000)	—	(140,000)
Unrealized gains (losses)	(267,000)	511,000	(3,265,000)	(3,021,000)
Purchases, sales, issuances and settlements (net)	542,000	1,919,000	173,000	2,634,000
Balance September 30, 2009	**$ 2,026,000**	**$ 14,047,000**	**$ 3,396,000**	**$ 19,469,000**

The Organization uses the Net Asset Value (NAV) to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their investees financial statements consistent with the measurement principles of an investments company or have the attributes of an investment company. Per the accounting standard governing NAV as a practical expedient, the following table lists investments in other companies by major category and then by investment manager:

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Drawdown Commitments
Private Equities	Funds are focused on venture and buyout in the U.S, U.S. buyout primary partnerships, and U.S. venture primary partnerships.	$ 2,938,000	4	5 to 10 years	$ 2,725,000	1 to 6 years
Hedge Funds	Funds are focused on absolute return strategies, credit strategies, and maximizing risk-adjusted returns.	11,716,000	4	N/A	N/A	N/A
Real Estate	Focus is in specific markets, submarkets and properties with the potential for generating above average returns on a risk-adjusted basis.	3,373,000	1	N/A	N/A	N/A
Total		$ 18,027,000	9		$ 2,725,000	

The Private Equity funds have no redemption terms or redemption restrictions. The Hedge Fund investments have redemption terms ranging from 95 to 370 days notice and certain lockups range from 1 to 3 years. The Real Estate funds have a 65 day notice period and quarterly redemption restrictions.

5. CONTRIBUTIONS, DEFERRED GIFTS RECEIVABLE, AND GOVERNMENT CONTRACTS

Included in contributions and deferred gifts receivable, net, are contributions receivable of approximately $826,000 and $2,704,000 at September 30, 2010 and 2009, respectively. Contributions to be received over a period greater than one year are normally discounted using a risk adjusted rate based on the pledge period as of the date of the pledge and are not subsequently adjusted. At September 30, 2010, short-term contributions receivable are approximately $826,000. There were no long-term contributions receivable.

Included as deferred gifts receivable are remainder interests in several irrevocable trusts. The present value of the Organization's share of future interests in charitable remainder trusts, which amounted to approximately $535,000 and $710,000 has been recorded as deferred gifts receivable at September 30, 2010 and 2009, respectively, and, in accordance with the terms of the trusts, is included in temporarily restricted net assets. The present value of the trusts was calculated using discount rates ranging from 5.0% to 7.88%. Beneficial interests in perpetual third-party trusts of approximately $951,000 and $945,000 valued at the Organization's share of the fair value of the underlying trust assets are included in permanently restricted net assets at September 30, 2010 and 2009, respectively.

At September 30, 2010, the GSUSA's beneficial interest in investments held by third-party trustees were classified as Level 3 within the fair value hierarchy.

The following tables summarize the changes in the Organization's Level 3 beneficial interests in investments held by third-party trustees for the year ended September 30, 2010 and 2009, included within contributions and deferred gifts receivable on the consolidated statement of financial position:

	Charitable Trusts	Perpetual Trusts	Total
Balance October 1, 2009	$ 710,000	$ 945,000	$ 1,655,000
Realized gains	38,000	28,000	66,000
Unrealized gains	93,000	34,000	127,000
Purchases, sales, issuances and settlements, net	(306,000)	(56,000)	(362,000)
Balance September 30, 2010	**$ 535,000**	**$ 951,000**	**$ 1,486,000**

	Charitable Trusts	Perpetual Trusts	Total
Balance October 1, 2008	$ 752,000	$ 1,093,000	$ 1,845,000
Realized losses	(71,000)	(73,000)	(144,000)
Unrealized gains	25,000	40,000	65,000
Purchases, sales, issuances, and settlements, net	4,000	(115,000)	(111,000)
Balance September 30, 2009	**$ 710,000**	**$ 945,000**	**$ 1,655,000**

In addition, the Organization has been awarded several renewable cost-reimbursement grants from federal agencies. The Organization has recorded the following revenue included in gifts, grants and bequests on the accompanying consolidated statement of activities for the year ended September 30, 2010:

Federal Agency	**2010 Revenue**	**Cumulative Revenue**	**Federal Appropriation**
Department of Justice	**$ 878,000**	$ 1,949,000	$ 4,665,000
Department of Agriculture	**526,000**	2,562,000	3,963,000
Department of Education	**245,000**	306,000	477,000
Corporation for National Community Service	**242,000**	315,000	754,000
NASA	**127,000**	238,000	273,000
Other	**225,000**	384,000	508,000
	$ 2,243,000	$ 5,754,000	$ 10,640,000

Included within the federal appropriation are four grants totaling approximately $2,325,000 which were awarded in fiscal 2010, but the award period pertains to fiscal 2011.

6. PROPERTY AND EQUIPMENT

Property and equipment are comprised, approximately, of the following at September 30, 2010 and 2009:

	2010	**2009**	**Useful Lives**
Buildings and improvements	**$ 53,268,000**	$ 53,268,000	10 to 40 years
Furniture and equipment	**17,462,000**	16,684,000	3 to 10 years
Software development costs	**6,265,000**	5,979,000	3 years
	76,995,000	75,931,000	
Less accumulated depreciation	**(55,894,000)**	(52,903,000)	
	21,101,000	23,028,000	
Land	**377,000**	377,000	
	$ 21,478,000	$ 23,405,000	

Depreciation expense amounted to $2,991,000 and $2,693,000 for the years ended September 30, 2010 and 2009, respectively.

During fiscal 2010, the Organization capitalized certain computer and equipment leases with terms ranging from three to five years. At September 30, 2010 computers acquired under such leases had a cost of approximately $625,000, with accumulated depreciation of approximately $376,000. Principal payments for the year ended September 30, 2010 under all capital leases totaled approximately $153,000. Amounts outstanding under these capital leases are included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position at September 30, 2010 and totaled approximately $263,000.

Net book value of properties by location is, approximately, as follows at September 30, 2010 and 2009:

	2010	2009
Land and buildings:		
Headquarters	**$ 14,296,000**	$ 15,528,000
Warehouse	**210,000**	210,000
National program and training centers	**5,137,000**	5,529,000
Furniture and equipment	**881,000**	999,000
Software development costs	**954,000**	1,139,000
	$ 21,478,000	$ 23,405,000

7. GIRL SCOUT MERCHANDISE (GSM)

GSM purchases uniforms and other products from manufacturers which it sells to councils and other customers on a wholesale and retail basis. GSM also licenses to manufacturers and other vendors the right to use the Organization's name and service marks on their products. Net revenue from GSM is used to further the program activities of the Organization. Summarized revenue and expenses relating to GSM are set forth below:

	Year Ended September 30	
	2010	**2009**
Sales and other income	**$ 44,632,000**	$ 45,575,000
Cost of sales and expenses	**(27,629,000)**	(28,879,000)
	$ 17,003,000	$ 16,696,000

Included in GSM cost of sales and expenses are redistributed charges, which are overhead operations costs for expenses allocated to GSM of approximately $4,761,000 and $4,615,000 for the years ended September 30, 2010 and 2009 respectively.

8. LINES OF CREDIT

The Organization has one $5,000,000 floating rate line of credit which is secured by certain of the Organization's investments, expiring on July 14, 2011, and one $5,000,000 unsecured line of credit expiring on July 13, 2013. There were no borrowings under these facilities during fiscal 2010.

9. BOARD-DESIGNATED UNRESTRICTED NET ASSETS

Board-designated unrestricted net assets are neither temporarily nor permanently restricted by donor stipulations, but were designated by the board of directors for specified purposes. Board-designated unrestricted net assets were comprised of the following at September 30, 2010 and 2009:

	2010	**2009**
Capital	**$ 51,829,000**	$ 51,568,000
Endowment	**30,030,000**	30,470,000
Other	**10,746 ,000**	6,867,000
Total	**$ 92,605,000**	$ 88,905,000

Additionally, the board of directors has designated $7,675,000 at September 30, 2010 ($7,314,000 at September 30, 2009) as a reserve for maintenance and repairs for property and equipment which is included in the property and equipment portion of unrestricted net assets.

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or are time restricted as follows at September 30, 2010 and 2009:

	2010	2009
Purpose restricted:		
Service delivery to local councils	**$ 4,456,000**	$ 3,982,000
Program development and training	**8,671,000**	9,305,000
International services	**964,000**	874,000
	14,091,000	14,161,000
Time restricted	**535,000**	710,000
	$ 14,626,000	$ 14,871,000

11. PERMANENTLY RESTRICTED NET ASSETS

Income from permanently restricted net assets is expendable to support the following at September 30, 2010 and 2009:

	2010	2009
Program services:		
Service delivery to local councils	**$ 14,383,000**	$ 13,562,000
Program development and training	**3,640,000**	3,109,000
International services	**5,000**	5,000
	18,028,000	16,676,000
For general purposes	**951,000**	945,000
Total permanently restricted net assets	**$ 18,979,000**	$ 17,621,000

12. NET ASSETS RELEASED FROM RESTRICTIONS

Temporarily restricted net assets were released from donor restrictions by incurring expenses and/or time restrictions having lapsed satisfying the restricted purposes approximately as follows at September 30, 2010 and 2009:

	2010	2009
Purpose restrictions satisfied:		
Service delivery to local councils	**$ 780,000**	$ 1,008,000
Program development and training	**3,928,000**	3,802,000
International services	**166,000**	385,000
	$ 4,874,000	$ 5,195,000

13. ENDOWMENT FUND

The Organization has adopted the provisions of "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, and Enhanced Disclosures for All Endowment Funds." This standard provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), passed by the District of Columbia, and also requires additional disclosures about endowments for both donor-restricted funds and board-designated funds.

The Organization has interpreted the District of Columbia UPMIFA as requiring 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 of this interpretation, the Organization 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 the (c) accumulations to the permanent endowment made in accordance with the directions 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 nets assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Effective October 1, 2009, the Organization adopted the provisions of the new accounting guidance related to the implementation of UPMIFA that was enacted in the District of Columbia. A key component of this guidance is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. The Organization recorded the cumulative effect of the adoption as a reclassification of unrestricted net assets to temporarily restricted net assets in the amount of approximately $534,000 as of October 1, 2009.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return of investments; general economic conditions; other resources of the Organization; and the investment policy of the Organization.

GSUSA has a policy of appropriating for distribution a certain percentage (3% in 2010 and 5% in 2009) of its endowment fund's average fair value over the prior four years. In establishing this policy, GSUSA considered the long-term expected return on its endowment. 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.

GSUSA has adopted investment 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 Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

To satisfy its long-term objectives, GSUSA 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). GSUSA targets a diverse asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The following table summarizes the changes in endowment net assets for the year ended September 30, 2010:

Composition of Endowment Net Assets By Type of Fund	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ –	$ 9,877,000	$ 18,030,000	**$ 27,907,000**
Board-designated endowment funds	81,859,000	–	–	**81,859,000**
Total	$ 81,859,000	$ 9,877,000	$ 18,030,000	**$ 109,766,000**
Changes in Endowment Net Assets				
Endowment net assets, beginning of year	$ 82,039,000	$ 8,146,000	$ 16,676,000	**$ 106,861,000**
Investment return:				
Investment income	1,185,000	339,000	–	**1,524,000**
Net depreciation (realized and unrealized)	6,095,000	1,875,000	10,000	**7,980,000**
Contributions	–	–	874,000	**874,000**
Appropriation of endowment assets for expenditure	–	(1,017,000)	–	**(1,017,000)**
Other changes	(6,454,000)	–	(2,000)	**(6,456,000)**
Transfers in accordance with UPMIFA	(534,000)	534,000	–	**–**
Net asset reclassification	(472,000)	–	472,000	**–**
Endowment net assets, end of year	$ 81,859,000	$ 9,877,000	$ 18,030,000	**$ 109,766,000**

The following table summarizes the changes in endowment net assets for the year ended September 30, 2009:

Composition of Endowment Net Assets By Type of Fund	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ –	$ 8,146,000	$ 16,676,000	**$ 24,822,000**
Board-designated endowment funds	82,039,000	–	–	**82,039,000**
Total	$ 82,039,000	$ 8,146,000	$ 16,676,000	**$ 106,861,000**
Changes in Endowment Net Assets				
Endowment net assets, beginning of year	$ 87,844,000	$ 9,556,000	$ 14,984,000	**$ 112,384,000**
Investment return:				
Investment income	2,144,000	555,000	–	**2,699,000**
Net depreciation (realized and unrealized)	(3,253,000)	(883,000)	(5,000)	**(4,141,000)**
Contributions	55,000	–	1,701,000	**1,756,000**
Appropriation of endowment assets for expenditure	–	(1,067,000)	–	**(1,067,000)**
Other changes	(4,751,000)	(15,000)	(4,000)	**(4,770,000)**
Endowment net assets, end of year	$ 82,039,000	$ 8,146,000	$ 16,676,000	**$ 106,861,000**

14. BENEFIT PLANS

The Organization sponsors a noncontributory defined benefit retirement plan (the "Plan") covering substantially all employees. Benefits are based on years of service and salary level. Contributions to the Plan are made based upon payment schedules provided by the actuaries of the Plan. Normal retirement age is 65, but provisions are made for early retirement.

The Plan's actuary performed the computations required for financial statement disclosure as of September 30, 2010 and 2009. Under the new accounting rules, in fiscal 2009, the Organization was required to measure the Plan assets and benefit obligations as of the same date as the Organization's fiscal year-end (September 30, 2009). During fiscal 2009, the Organization adopted the measurement provisions of the new pension accounting rules, resulting in a cumulative effect of adoption of $525,000 which has been reflected on the accompanying consolidated statement of activities.

Plan assets, which are held by the Bank of New York/Mellon and the Metropolitan Life Insurance Company, are stated at fair value at September 30 and are composed primarily of investments in common stock, publicly traded debt and equity mutual funds, private equities, hedge funds and real estate.

The following table sets forth the amounts reported in the Organization's consolidated statements of financial position and other information relative to the Plan as of and for the years ended September 30, 2010 and 2009:

	2010	2009
Net amounts recognized in the statements of financial position		
Beginning of year	**$ (27,092,000)**	$ 1,170,000
Service cost	**(3,387,000)**	(3,619,000)
Interest cost	**(5,561,000)**	(7,071,000)
Expected return on plan assets	**5,744,000**	8,438,000
Employer contributions	**4,700,000**	4,000,000
Net loss	**(11,588,000)**	(30,010,000)
End of year	**(37,184,000)**	(27,092,000)
Reconciliation of benefit obligation		
Obligation, beginning of year	**100,273,000**	85,531,000
Service cost including expenses	**3,387,000**	3,619,000
Interest cost	**5,561,000**	7,071,000
Actuarial loss	**11,571,000**	10,067,000
Benefit payments and expected expenses	**(5,101,000)**	(6,015,000)
Obligations, end of year	**115,691,000**	100,273,000
Reconciliation of fair value of plan assets		
Fair value of Plan assets, beginning of year	**73,181,000**	86,701,000
Actual return on Plan assets	**5,654,000**	(11,465,000)
Employer contributions	**4,700,000**	4,000,000
Benefits payments and actual expenses	**(5,028,000)**	(6,055,000)
Fair value of Plan assets, end of year	**78,507,000**	73,181,000
Funded status	**$ (37,184,000)**	$ (27,092,000)
Components of net periodic benefit cost		
Accumulated benefit obligation	**$ 104,887,000**	$ 91,190,000
Prepaid benefit cost recognized in the consolidated statements of financial position	**$ (37,184,000)**	$ (27,092,000)
Amounts recognized in unrestricted net assets		
Net loss	**$ (43,270,000)**	$ (34,219,000)
Prior service cost	**(238,000)**	(425,000)
	(43,508,000)	(34,644,000)
Components of net periodic benefit cost		
Service cost	**3,387,000**	3,619,000
Interest cost	**5,561,000**	7,071,000
Expected return on Plan assets	**(5,744,000)**	(8,438,000)
Amortization of unrecognized prior service cost	**187,000**	371,000
Amortization of net loss	**2,537,000**	-
Net periodic benefit cost	**$ 5,928,000**	$ 2,623,000
Weighted-average assumptions:		
Discount rate used to calculate benefit obligation	**5.25%**	5.70%
Discount rate used to calculate net periodic benefit cost	**5.70%**	6.80%
Expected long-term rate of return on Plan assets	**7.50%**	8.00%
Average rate of increase in compensation levels	**N/A - 2010**	0.00% - 2010
	4.00% - Thereafter	4.00% - Thereafter

The expected amortization to be included in the net pension cost for fiscal 2010 is approximately $187,000.

The Organization's investment committee monitors the target asset allocation (as approved by the Board of Directors) and asset performance. The committee uses an investment strategy which emphasizes equities in order to produce high expected returns and, in the long run, lower expense and cash contribution requirements. Periodically, assets are rebalanced, as necessary, to maintain a target asset allocation, which is determined by the committee.

The expected long-term rate of return is determined by using target allocation and historical returns for each asset class.

The fair values of the Plan's investment securities classified by level as of September 30, 2010 are as follows:

	Level 1	Level 2	Level 3	Total
Common Stock:				
Core Domestic Equities	$ 23,117,000	$ -	$ -	**$ 23,117,000**
Small Capitalization Equities	7,504,000	-	-	**7,504,000**
Mutual Funds:				
Fixed Income	13,792,000	-	-	**13,792,000**
Core Domestic Equities	2,740,000	-	-	**2,740,000**
Foreign Markets	14,886,000	-	-	**14,886,000**
Alternatives:				
Private equity	-	-	2,002,000	**2,002,000**
Hedge Funds	-	-	4,076,000	**4,076,000**
Real Estate	-	-	3,056,000	**3,056,000**
Short-term investments	7,334,000	-	-	**7,334,000**
Total assets at fair value	$ 69,373,000	$ -	$ 9,134,000	**$ 78,507,000**

The fair values of the Plan's investment securities classified by level as of September 30, 2009 are as follows:

	Level 1	Level 2	Level 3	Total
Common Stock:				
Core Domestic Equities	$ 20,903,000	$ -	$ -	**$ 20,903,000**
Small Capitalization Equities	6,808,000	-	-	**6,808,000**
Mutual Funds:				
Fixed Income	13,054,000	-	-	**13,054,000**
Core Domestic Equities	2,486,000	-	-	**2,486,000**
Foreign Markets	11,738,000	1,599,000	-	**13,337,000**
Alternatives:				
Private equity	-	-	1,356,000	**1,356,000**
Hedge Funds	-	-	5,792,000	**5,792,000**
Real Estate	-	-	3,070,000	**3,070,000**
Short-term investments	6,375,000	-	-	**6,375,000**
Total assets at fair value	$ 61,364,000	$ 1,599,000	$ 10,218,000	**$ 73,181,000**

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value as of September 30, 2010:

	Private Equity	Hedge Funds	Real Estate	Total
Balance, October 1, 2009	$ 1,356,000	$ 5,792,000	$ 3,070,000	$ 10,218,000
Realized losses	(14,000)	443,000	6,000	435,000
Unrealized losses	89,000	802,000	(14,000)	877,000
Purchases, sales, issuances and settlements (net)	571,000	(2,961,000)	(6,000)	(2,396,000)
Balance, September 30, 2010	**$ 2,002,000**	**$ 4,076,000**	**$ 3,056,000**	**$ 9,134,000**

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value as of September 30, 2009:

	Private Equity	Hedge Funds	Real Estate	Total
Balance, July 1, 2008	$ 1,225,000	$ 8,919,000	$ 5,928,000	$ 16,072,000
Realized losses	(29,000)	(637,000)	-	(666,000)
Unrealized losses	(241,000)	(549,000)	(3,129,000)	(3,919,000)
Purchases, sales, issuances and settlements (net)	401,000	(1,941,000)	271,000	(1,269,000)
Balance September 30, 2009	**$ 1,356,000**	**$ 5,792,000**	**$ 3,070,000**	**$ 10,218,000**

Per the accounting standard governing NAV as a practical expedient, the following table lists the Plan's investment in other companies by major category and then by investment manager:

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Drawdown Commitments
Private Equities	Funds are focused on venture and buyout in the U.S, U.S. buyout Primary Partnerships, and U.S. venture Primary Partnerships.	$ 2,002,000	6	5 to 10 years	$ 1,732,000	1 to 6 years
Hedge Funds	Funds are focused on capital appreciation through direct and/or indirect investments, and credit strategies.	4,076,000	2	N/A	N/A	N/A
Real Estate	Focus is in specific markets, submarkets and properties with the potential for generating above average returns on a risk-adjusted basis.	3,056,000	1	N/A	N/A	N/A
Total		$ 9,134,000	9		$ 1,732,000	

The Private Equity funds have no redemption terms or redemption restrictions. The Hedge Fund investments have redemption terms ranging from 95 to 370 days notice and certain lockups range from 1 to 3 years. The Real Estate funds have a 65 day notice period and quarterly redemption restrictions.

The percentages of the fair value of total Plan assets by asset category are as follows:

	September 30 2010	2009
Equities	**61.5 %**	59.5 %
Cash equivalents	**9.3**	8.7
Fixed income	**17.6**	17.8
Real estate	**3.9**	4.2
Alternative investments	**7.7**	9.8
Total	**100.0 %**	100.0 %

The following benefits which reflect expected future service, as appropriate, are expected to be paid approximately as follows:

Fiscal	
2011	$ 5,257,000
2012	5,590,000
2013	5,783,000
2014	6,129,000
2015	6,488,000
2016-2020	39,324,000

Contributions made to the Plan during the fiscal year ended September 30, 2010 and 2009, were approximately $4,700,000 and $4,000,000, respectively. A contribution of approximately $4,700,000 is expected to be made for fiscal year 2011.

In addition, the Organization has established a 401(k) plan covering all eligible employees of the Organization. The Organization makes matching contributions of 50% of the first 6% of a participant's base salary, subject to Internal Revenue Service limits. Employer contributions vest over a period of five years. Employer contributions in fiscal 2010 approximated $129,000 (approximately $556,000 in fiscal 2009). Employer contributions were suspended effective January 1, 2010.

15. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

In addition to providing pension benefits, the Organization provides certain postretirement health and supplemental benefits for retired employees. Substantially all of the Organization's salaried employees may become eligible for those benefits if they reach normal retirement age while working for the Organization for at least ten years.

The Organization funds its postretirement benefit costs on a pay-as-you-go basis; however, for financial reporting purposes, the Organization records these benefits as employees earn them.

16. COMMITMENTS

The Organization has various operating leases covering property and equipment. These leases are due to expire on various dates through fiscal 2014. The following is a schedule of future minimum rental payments required under the various operating leases as of September 30, 2010:

Fiscal	
2011	$ 351,000
2012	316,000
2013	182,000
2014	79,000
	$ 928,000

Rental expense was approximately $192,000 and $833,000 for the years ended September 30, 2010 and 2009, respectively.

17. SUBSEQUENT EVENTS

The Organization evaluated its September 30, 2010 consolidated financial statements for subsequent events through January 21, 2011, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

Leadership and Contributors

FOUNDER

Juliette Gordon Low

HONORARY PRESIDENT

Michelle Obama

PAST HONORARY PRESIDENTS

Mrs. Lyndon B. Johnson
Mrs. Gerald R. Ford
Rosalynn Carter
Nancy Reagan
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Girl Scouting builds girls of courage, confidence, and character, who make the world a better place.

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On my honor, I will try:
To serve God and my country,
To help people at all times,
And to live by the Girl Scout Law.

The Girl Scout Law

I will do my best to be
honest and fair,
friendly and helpful,
considerate and caring,
courageous and strong, and
responsible for what I say and do,
and to
respect myself and others,
respect authority,
use resources wisely,
make the world a better place, and
be a sister to every Girl Scout.

Girl Scouts of the USA
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