

**Financial Statements and
Report of Independent Auditors**

**Calcasieu Area Council
Boy Scouts of America, Inc.
Lake Charles, Louisiana**

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **SEP 21 2011**

Calcasieu Area Council
Boy Scouts of America, Inc.

TABLE OF CONTENTS

	Page
Independent Auditors' Report	3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5-6
Statement of Cash Flows	7
Statement of Functional Expenses	8
Notes to Financial Statements	9-16

Stulb & Associates, APAC

Certified Public Accountants

James F. Stulb, C.P.A.
Kristine S. Carter, C.P.A.

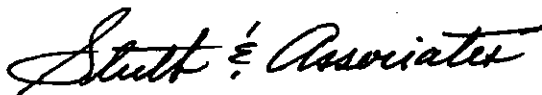
Independent Auditors' Report

The Board of Directors
Calcasieu Area Council
Boy Scouts of America, Inc.

We have audited the accompanying statement of financial position of Calcasieu Area Council Boy Scouts of America, Inc. (a non-profit organization) as of December 31, 2010 and the related statements of changes in net assets, cash flows, and functional expenses 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 financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements and in our report dated May 25, 2010, we expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calcasieu Area Council Boy Scouts of America, Inc. as of December 31, 2010, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



June 20, 2011

Member AICPA • Member LCPA
Member PCPS/The AICPA Alliance for CPA Firms

800 Ryan Street • Suite 200 / P.O. Box 1117 • Lake Charles, Louisiana 70602
(337) 494-1240 • (337) 494-1040 Fax

**Calcasieu Area Council
Boy Scouts of America, Inc.
STATEMENTS OF FINANCIAL POSITION
December 31, 2010
With Comparative Totals for 2009**

ASSETS	Operating	Capital	Endowment	Total All Funds	
	Fund	Fund	Fund	2010	2009
CURRENT ASSETS					
Cash and cash equivalents	\$ 135,050	\$ 68,713	\$ -	\$ 203,763	\$ 253,201
Cash - reserved	-	-	-	-	15,544
Inventory	36,933	-	-	36,933	38,824
Prepaid expense	9,816	-	-	9,816	22,060
Pledges receivable	15,300	-	-	15,300	16,350
Other current assets	864	-	-	864	896
Total current assets	197,963	68,713	-	266,676	346,875
NONCURRENT ASSETS					
Land, Building, and Equipment.	-	498,633	-	498,633	525,561
Total noncurrent assets	-	498,633	-	498,633	525,561
ENDOWMENT FUND					
Cash and cash equivalents	-	-	38,260	38,260	39,864
Investments	-	-	849,998	849,998	758,831
Total endowment fund	-	-	888,258	888,258	798,695
Total assets	\$ 197,963	\$ 567,346	\$ 888,258	\$ 1,653,567	\$ 1,671,131
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$ 6,395	\$ -	\$ -	\$ 6,395	\$ 14,802
Accrued liabilities	5,476	-	-	5,476	5,231
Deferred income	14,058	-	-	14,058	59,596
Custodian accounts	27,000	-	-	27,000	26,010
Total current liabilities	52,929	-	-	52,929	105,639
NET ASSETS					
Unrestricted	129,734	-	-	129,734	186,392
Temporarily restricted	15,300	567,346	888,258	1,470,904	1,072,392
Permanently restricted	-	-	-	-	306,708
Total net assets	145,034	567,346	888,258	1,600,638	1,565,492
Total liabilities and net assets	\$ 197,963	\$ 567,346	\$ 888,258	\$ 1,653,567	\$ 1,671,131

See notes to financial statements.

Calcasien Area Council
Boy Scouts of America, Inc
STATEMENTS OF CHANGES IN NET ASSETS
For the year ended December 31, 2010
With Comparative Totals for the Year Ended 2009

	Operating Fund	Capital Fund	Endowment Fund	Total All Funds	
				2010	2009
Changes in Unrestricted Net Assets					
Direct Support					
Friends of Scouting	147,077	-	-	147,077	158,536
Less Provision for Uncollectibles	(9,275)	-	-	(9,275)	(25,637)
Net Friends of Scouting	137,802	-	-	137,802	132,899
Special Fundraising Events Gross	49,092	-	-	49,092	69,112
Less Cost of Net Benefits	(6,726)	-	-	(6,726)	(3,810)
Net Special Fundraising Events	42,366	-	-	42,366	65,302
Total Direct Support	180,168	-	-	180,168	198,201
Indirect Support					
United Way	109,490	-	-	109,490	176,750
Revenue					
Sale of Supplies, net cost of sales of \$77,335	34,523	-	-	34,523	31,747
Product Sales - Gross	167,558	-	-	167,558	181,022
Less: Cost of Goods Sold	(51,677)	-	-	(51,677)	(52,737)
Less: Commissions paid to units	(58,842)	-	-	(58,842)	(64,461)
Net Product Sales	57,039	-	-	57,039	63,824
Investment Income	11,740	22	-	11,762	15,204
Royalties - Oil & Gas	40,766	-	-	40,766	42,673
Camping Revenue	92,037	-	-	92,037	91,902
Activity Revenue	145,815	-	-	145,815	103,827
Other Revenue	2,483	-	-	2,483	640
Total Revenue	384,403	22	-	384,425	349,817
Net Assets Released from Restrictions					
Reclass Friends of Scouting	23,350	-	-	23,350	2,250
Reclass Foundations & Trusts	10,173	-	-	10,173	-
Reclass Capital Campaign	-	61,103	-	61,103	49,765
Total Reclassification of Net Assets	33,523	61,103	-	94,626	52,015
Total Support and Revenue	707,584	61,125	-	768,709	776,783
Expenses					
Program Services	536,920	50,499	-	587,419	581,695
Support Services					
Management & General	83,339	5,313	-	88,652	86,442
Fundraising	74,981	5,313	-	80,294	79,429
Total Supporting Services	158,320	10,626	-	168,946	165,871
Charter and National Service Fee	18,109	-	-	18,109	17,953
Total Expenses	713,349	61,125	-	774,474	765,519
Increase (Decrease) in Unrestricted Net Assets	(5,765)	-	-	(5,765)	11,264

See notes to financial statements.

Calcasieu Area Council
Boy Scouts of America, Inc
STATEMENTS OF CHANGES IN NET ASSETS
For the year ended December 31, 2010
With Comparative Totals for the Year Ended 2009

	Operating Fund	Capital Fund	Endowment Fund	Total All Funds	
				2010	2009
Changes in Temporarily Restricted Net Assets					
Direct Support					
Friends of Scouting	22,300	-	-	22,300	16,350
Foundations & Trusts	10,173	-	-	10,173	-
Other Direct Support	-	13,501	1,750	15,251	1,290
Total Direct Support	<u>32,473</u>	<u>13,501</u>	<u>1,750</u>	<u>47,724</u>	<u>17,640</u>
Revenue					
Investment income	-	-	6,473	6,473	21,114
Realized gain (loss) on investments	-	-	(73,696)	(73,696)	(47,653)
Unrealized gain (loss) on investments	-	-	155,036	155,036	151,512
Total Revenue	<u>-</u>	<u>-</u>	<u>87,813</u>	<u>87,813</u>	<u>124,973</u>
Total Support and Revenue	32,473	13,501	89,563	135,537	142,613
Net Assets Released from Restrictions					
Reclass Friends of Scouting	(23,350)	-	-	(23,350)	(2,250)
Reclass Foundations & Trusts	(10,173)	-	-	(10,173)	-
Reclass board restricted endowment fund	-	-	306,708	306,708	-
Reclass Capital Campaign	-	(61,103)	-	(61,103)	(49,765)
Total Reclassification of Net Assets	<u>(33,523)</u>	<u>(61,103)</u>	<u>306,708</u>	<u>212,082</u>	<u>(52,015)</u>
Inc (Dec) in Temporarily Restricted Net Assets	(1,050)	(47,602)	396,271	347,619	90,598
Changes in Permanently Restricted Net Assets					
Net Assets Released from Restrictions					
Reclass board restricted endowment fund	-	-	(306,708)	(306,708)	-
Decrease in Permanently Restricted Net Assets	<u>-</u>	<u>-</u>	<u>(306,708)</u>	<u>(306,708)</u>	<u>-</u>
Net Assets, Beginning of Year					
Unrestricted Net Assets	186,392	-	-	186,392	190,493
Temporarily Restricted Net Assets	16,350	564,055	491,987	1,072,392	966,429
Permanently Restricted Net Assets	-	-	306,708	306,708	306,708
Total Net Assets, Beginning of Year	<u>202,742</u>	<u>564,055</u>	<u>798,695</u>	<u>1,565,492</u>	<u>1,463,630</u>
Transfers	<u>(50,893)</u>	<u>50,893</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets, End of Year					
Unrestricted Net Assets	129,734	-	-	129,734	186,392
Temporarily Restricted Net Assets	15,300	567,346	888,258	1,470,904	1,072,392
Permanently Restricted Net Assets	-	-	-	-	306,708
TOTAL NET ASSETS, END OF YEAR	<u>\$ 145,034</u>	<u>\$ 567,346</u>	<u>\$ 888,258</u>	<u>\$ 1,600,638</u>	<u>\$ 1,565,492</u>

See notes to financial statements.

Calcasieu Area Council
Boy Scouts of America, Inc
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2010
With Comparative Totals for the Year Ended 2009

	Operating Fund	Capital Fund	Endowment Fund	Total All Funds	
				2010	2009
Cash Flows from Operations					
Received from Support and Revenue	\$ 605,156	\$ 13,502	\$ -	\$ 618,658	\$ 712,111
Payments to Employees and Suppliers	(677,105)	(15,408)	-	(692,513)	(694,605)
Payment for Charter and National Service Fee	(18,109)	-	-	(18,109)	(17,953)
Specific Assistance to Individuals	(1,914)	-	-	(1,914)	(2,541)
Net Cash Flows from Operating Activities	(91,972)	(1,906)	-	(93,878)	(2,988)
Cash Flows from Investing Activities					
Purchase of Fixed Assets	-	(23,632)	-	(23,632)	(24,872)
Royalty Income Received	40,766	-	-	40,766	42,673
Investment Income Received	11,740	22	6,473	18,235	36,318
Investment Purchases	-	-	(539,216)	(539,216)	(277,901)
Investment Sales	-	-	531,139	531,139	248,733
Cash Overdraft	-	-	-	-	-
Net Cash Flows from Investing Activities	52,506	(23,610)	(1,604)	27,292	24,951
Cash Flows from Financing Activities					
Interfund Transfers	(50,893)	50,893	-	-	-
Net Cash Flows from Financing Activities	(50,893)	50,893	-	-	-
Net Increase (Decrease) in Cash	(90,359)	25,377	(1,604)	(66,586)	21,963
Cash at the Beginning of the Year	225,409	43,336	39,864	308,609	286,646
Cash at the End of the Year	\$ 135,050	\$ 68,713	\$ 38,260	\$ 242,023	\$ 308,609
Reconciliation of Cash Flow From Operations					
Increase (Decrease) Total Net Assets	(57,708)	3,291	89,563	35,146	101,862
Adjustments to Net Assets to Reconcile Cash Flows:					
(Increase) Decrease in Accounts Receivable	1,050	-	-	1,050	(16,350)
(Increase) Decrease in Inventory	1,891	-	-	1,891	8,163
(Increase) Decrease in Prepaid Expense	12,244	-	-	12,244	(6,378)
(Increase) Decrease in Other Current Assets	31	-	-	31	(118)
(Decrease) Increase in Accounts Payable	(3,565)	(4,840)	-	(8,405)	(9,026)
(Decrease) Increase in Accrued expenses	245	-	-	245	624
(Decrease) Increase in Deferred Income	(45,538)	-	-	(45,538)	41,246
(Decrease) Increase in Other Current Liabilities	991	-	-	991	7,463
Depreciation	-	50,558	-	50,558	53,666
Net Investment Income	(52,506)	(22)	(89,563)	(142,091)	(184,140)
Transfers	50,893	(50,893)	-	-	-
Net Cash Flows From Operating Activities	(91,972)	(1,906)	\$ -	\$ (93,878)	\$ (2,988)

See notes to financial statements.

Calcasieu Area Council
Boy Scouts of America, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended December 31, 2010
 With Comparative Totals for the Year Ended 2009
 Funds 1 through 3

	Program Service	Supporting Services			Total Expenses	
		Management & General	Fund Raising	Total	2010	2009
Employee Compensation						
Salaries	\$ 239,679	\$ 33,801	\$ 33,801	\$ 67,602	\$ 307,281	\$ 318,820
Employee Benefits	45,506	6,418	6,418	12,836	58,342	54,773
Payroll Taxes	18,009	2,540	2,540	5,080	23,089	23,840
Employee-Related Expense	2,586	365	365	730	3,316	4,145
Total Employee Compensation	305,780	43,124	43,124	86,248	392,028	401,578
Other Expenses						
Professional Fees		8,358	-	8,358	8,358	7,013
Supplies	66,067	9,353	9,353	18,706	84,773	86,228
Telephone	7,191	1,014	1,014	2,028	9,219	9,204
Postage and Shipping	3,530	498	498	996	4,526	5,232
Occupancy	67,223	9,480	9,480	18,960	86,183	61,779
Rental and Maintenance of Equipment	7,343	1,035	1,035	2,070	9,413	9,578
Printing and Publications	1,588	224	224	448	2,036	629
Travel	41,239	5,816	5,816	11,632	52,871	41,166
Conferences and Meetings	2,828	399	399	798	3,626	7,984
Specific Assistance to Individuals	1,914	-	-	-	1,914	2,541
Recognition Awards	11,160	1,574	1,574	3,148	14,308	17,372
Insurance	18,481	2,606	2,606	5,212	23,693	27,751
Other Expense	10,819	1,020	1,020	2,040	12,859	15,845
Total Other Expense	239,383	41,377	33,019	74,396	313,779	292,322
Expenses Before Depreciation	545,163	84,501	76,143	160,644	705,807	693,900
Depreciation of Buildings/Equipment	42,256	4,151	4,151	8,302	50,558	53,666
Total Functional Expense	\$ 587,419	\$ 88,652	\$ 80,294	\$ 168,946	\$ 756,365	\$ 747,566

See notes to financial statements.

Calcasieu Area Council Boy Scouts of America, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 1 Organization and Purpose

Calcasieu Area Council Boy Scouts of America, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana for the purpose of promoting the Scout program, of promoting the ability of boys and young men ages 7 – 21 and women ages 14 – 21 in 5 parishes to do things for themselves and others, and teaching them patriotism, courage, self-reliance and kindred virtues. The Council's support comes primarily from sustaining membership enrollment and the United Way.

Note 2 Summary of Significant Accounting Policies

The Council follows the standards of accounting and financial reporting for voluntary health and welfare agencies prescribed by the Boy Scouts of America and the American Institute of Certified Public Accountants. The following significant accounting policies are in accordance with these standards.

Donor imposed restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction.

Although restricted contributions typically are reported as support that increases restricted net assets, they may be reported as unrestricted support if the restrictions are met in the same reporting period, the policy is followed consistently, and it is disclosed.

Basis of Presentation

These financial statements include only those accounts maintained by and directly under the control of the Council office. They do not include any accounts of local scout units or other organizations affiliated with the Council.

Promises to give/pledges

Unconditional promises to give that are expected to be collected within one year are recorded at the time the Council receives a pledge card at their net realizable value. Conditional promises to give are not included as support until such time as the conditionals are substantially met.

Cash and cash equivalents

The Council considers all liquid investments with a maturity of three months or less to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010.

Note 2 **Summary of Significant Accounting Policies** -- (continued)

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The Organization also prepares financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Inventory

The inventory of resalable clothing and supplies is stated at lower of cost or market using the first-in, first-out method. Obsolete items are expensed at the time such obsolescence is determined.

Investments

Investments consist primarily of assets invested in marketable equity and debt securities, alternative investments, commodities, and money-market accounts. The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the consolidated statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the consolidated statement of changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Investment Policy

The Organization's investment policy intends for the Organization to invest in assets that would produce results exceeding the investment's purchase price and incur a significant yield of return, while assuming a moderate level of investment risk. The Organization expects its Endowment Fund, over time, to provide a reasonable rate of return. To satisfy the long-term rate-of-return objective, the Organization 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).

Calcasieu Area Council Boy Scouts of America, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 2 **Summary of Significant Accounting Policies** – (continued)

Spending Policy

On March 23, 2010, the board of directors (through the executive committee) approved a cap on the endowment spending policy. The policy defines the total funds available from the Endowment Fund in a given year (the distributable income) as a maximum of \$20,000. If the market value of the Endowment Fund falls to or below the amount of the fund's donor restricted gifts, then the spending policy will be amended in accordance with the guidelines not to exceed the actual earnings of the fund. The executive committee (subject to the board of directors' approval) may amend this spending policy.

Property, equipment and depreciation

Current fund resources used for property or equipment acquisitions are recorded as transfers to the capital fund. The Council capitalizes all expenditures in excess of \$1,000 for property and equipment at cost, or if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is provided for over the estimated useful life of each asset based on the straight-line method of recording depreciation expense. The estimated useful lives of such assets are summarized below:

	<u>Years</u>
Buildings	25
Camp improvements	15
Office equipment	5 -10
Camp equipment	5 -10
Aquatic equipment	5

Income taxes

The Council is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. There are provisions in the Internal Revenue Code regulations for income taxes on the income of unrelated business activities. The Council does not believe any of its activities are unrelated business activities as defined by the applicable regulations.

Deferred Income

Revenues that apply to activity and camping events in the future are not recorded as income until the event has occurred. During the years ended December 31, 2010 and 2009, deferred revenues were \$14,058 and \$59,596, respectively.

Donated materials and services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Calcasieu Area Council Boy Scouts of America, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 2 **Summary of Significant Accounting Policies** – (continued)

Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.

Estimates

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

Advertising cost

The Council has elected to expense advertising cost as incurred. Advertising expense was \$6,724 and \$7,336 at December 31, 2010 and 2009, respectively. Advertising costs for 2010 and 2009 include a contribution totaling approximately \$6,200 for advertising services performed for the Organization.

Note 3 **Endowment**

The Organization's Endowment Fund includes board-restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Income, not to exceed \$20,000 per year, from the endowment may be allocated to the operating fund for general operations of the Council. The cost and estimated market value in endowment fund securities are as follows:

	-----2010-----		-----2009-----	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash Equivalents				
Money Market	\$ 38,260	\$ 38,260	\$ 39,864	\$ 39,864
Marketable Debt Securities				
U.S. Government Obligations	21,291	25,217	21,485	24,764
Corporate Obligations	<u>25,491</u>	<u>26,191</u>	<u>76,322</u>	<u>61,970</u>
	46,782	51,408	97,807	86,734
Equity Securities				
Mutual Funds	647,348	689,583	654,403	571,849
Equities	<u>86,266</u>	<u>109,007</u>	<u>92,055</u>	<u>100,248</u>
	<u>733,614</u>	<u>798,590</u>	<u>746,458</u>	<u>672,097</u>
Total investments	<u>\$818,656</u>	<u>\$888,258</u>	<u>\$884,129</u>	<u>\$798,695</u>

Calcasieu Area Council Boy Scouts of America, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 3 **Endowment** – (continued)

The following table summarizes the investment return and its classification for the year ending December 31, 2010 and 2009:

	-----2010-----				2009
	<u>Operating</u>	<u>Capital</u>	<u>Endowment</u>	<u>Total</u>	<u>Total</u>
Interest & Dividends	\$11,740	\$22	\$8,765	\$20,527	\$38,318
Trustee Fees	-	-	(2,292)	(2,292)	(2,000)
Realized gain (loss)	-	-	(73,696)	(73,696)	(47,653)
Unrealized gain (loss)	-	-	<u>155,036</u>	<u>155,036</u>	<u>151,512</u>
Total investment gain (loss)	<u>\$11,740</u>	<u>\$22</u>	<u>\$87,813</u>	<u>\$99,575</u>	<u>\$140,177</u>

Income from interest and dividends on investments and realized and unrealized gains and losses on the sales of investments ("Investment Income, Gains, and Losses") are recorded initially in the Endowment Fund. Distributions of Investment Income, Gains, and Losses from the Endowment Fund are recorded as income by the Operating and Capital Funds in the period in which the distributions are made in accordance with the Council's spending policy (Note 2). For 2010 and 2009, the investment expense was \$2,292 and \$2,000, respectively.

Note 4 **Summary of Fair Value Exposure**

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS 157") - now referred to as ASC 820-10 and subsections. ASC 820-10 and subsections defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The investments for the year ended December 31, 2010 were all level 1 quoted at prices in active markets for identical securities.

Note 5 **Property, Land, and Equipment**

Property and equipment acquisitions are capitalized at cost, if purchased, or at estimated fair market value if donated. Depreciation expense for the year ended December 31, 2010 and 2009 is \$50,558 and \$53,666, respectively.

Calcasieu Area Council Boy Scouts of America, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 5 Property, Land, and Equipment – (continued)

The composition of property, land and equipment at December 31, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Land	\$ 97,734	\$ 97,734
Building and improvements	867,775	844,145
Furniture and equipment	268,286	268,286
Vehicles	<u>23,570</u>	<u>23,570</u>
	1,257,365	1,233,735
Less: accumulated Depreciation	<u>758,732</u>	<u>708,174</u>
Total	<u>\$498,633</u>	<u>\$525,561</u>

Note 6 Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of December 31, 2010:

Board-Restricted Endowment	888,258
Capital improvements	567,346
Periods after December 31, 2010	<u>15,300</u>
Total temporarily restricted net assets	<u>\$1,470,904</u>

Note 7 Employee Benefit Plans

Retirement Plan

The National Office of the Boy Scouts of America has a qualified defined benefit multiemployer contributory retirement plan (the "Plan") administered at the national office that covers employees of the National Council and this council. The Plan covers all employees who have completed one year of service and who have agreed to make contributions. Eligible employees contribute 2 percent of their salary and the Council contributes an additional 6.5 percent to the plan. The pension expense (excluding the contributions made by employees) of the Council for the years ended December 31, 2010 and 2009 was \$16,124 and \$17,744, respectively, and covered current service cost.

Calcasieu Area Council Boy Scouts of America, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 7 Employee Benefit Plans – (continued)

The Plan is a multi-employer plan, and the individual information for each employer is not available. The actuarial information for the multi-employer plan as of February 1, 2010, indicates that it is in compliance with ERISA regulations regarding funding. The assumed rate of return used in determining actuarial present values of accumulated benefits was 7.75 percent. The actuarial information stated that there was a change from the prior year in actuarial assumptions, cost method, treatment of actuarial gains and losses, and amortization of past or prior service cost. In 2010, the aggregate method, a projected benefit method with aggregate level normal cost and supplemental liability fully funded, was used in the actuarial valuation; amortization of gains and losses is over seven years; and the amortization of past or prior service cost is seven years. The actuarial valuation includes all Plan amendments as of February 1, 2010.

Healthcare Plan

The Organization's employees participate in a healthcare plan provided by the National Council. The Organization pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2010 and 2009, the Organization remitted approximately \$36,313 and \$31,496, respectively, on behalf of its employees to the National Council related to the healthcare plan.

Note 8 Functional Allocations of Expenses

The cost of providing the various programs, activities and supporting services has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain indirect costs have been allocated to the functional categories based on the Council's analysis of time devoted to each category. The Council's allocation of \$746,093 of indirect costs was based on the percentages below. Direct costs of \$10,272 were allocated to the appropriate areas. In accordance with the policy of the National Council of the Boy Scouts of America, the payment of the charter fee to the National Council is not allocated as a functional expense.

Program service	78%
Management and general	11%
Fund raising	<u>11%</u>
Total	<u>100%</u>

Note 9 Legacies Not Yet Recordable

The Council is the beneficiary under various wills and trust agreements, the total realizable amount of which is not presently determinable. Such amounts will be recognized in the Council's financial statements when clear title is established and the proceeds are measurable.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 10 Concentration of Credit Risk

The Organization maintains its cash and money market accounts in commercial banks, an investment company, and a bank trust department. Accounts at the commercial banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. Balances in excess of FDIC coverage at December 31, 2010 were \$0. Cash maintained by the bank trust department and the investment company in money market funds is not insured.

Note 11 Compensated Absences

Full time employees earn up to twenty-four days of vacation pay and twelve days sick pay per year depending on the length of service. Unused vacation is not carried forward, but in the event of separation of employment, employees will be paid for vacation earned and not used in the year of separation. Unused sick pay may be carried forward, but in the event of separation of employment, employees will not be paid for remaining sick days. The Organization has not accrued unpaid compensated absences because the amount cannot be reasonably estimated.

Note 12 Contingent Liabilities

The Council is subject to pending claims and litigation which arise primarily in the ordinary course of business. The Council does not anticipate any losses with respect to such pending claims and litigation as of December 31, 2010.

Note 13 Prior Period Information

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Note 14 Subsequent Events

These financial statements considered subsequent events through June 20, 2011, the date the financial statements were available to be issued.