

**GIRL SCOUTS OF LOUISIANA –
PINES TO THE GULF, INC.**

FINANCIAL REPORT

SEPTEMBER 30, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Girl Scouts of Louisiana – Pines to the Gulf, Inc.
Lafayette, Louisiana

We have audited the accompanying financial statements of Girl Scouts of Louisiana – Pines to the Gulf, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Louisiana – Pines to the Gulf, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2021, on our consideration of Girl Scouts of Louisiana – Pines to the Gulf, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Girl Scouts of Louisiana – Pines to the Gulf, Inc.'s internal control over financial reporting and compliance.



Lafayette, Louisiana
January 27, 2021

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

STATEMENTS OF FINANCIAL POSITION

As of September 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$1,596,241	\$1,647,121
Other receivables, net	92,333	2,937
Inventory	129,163	136,906
Accrued interest receivable	2	4,020
Prepaid expenses	<u>18,919</u>	<u>13,445</u>
Total current assets	<u>\$1,836,658</u>	<u>\$1,804,429</u>
INVESTMENTS, at market value	<u>\$1,487,549</u>	<u>\$1,308,808</u>
PROPERTY, PLANT AND EQUIPMENT, net	<u>\$1,125,296</u>	<u>\$1,076,171</u>
RESTRICTED ASSETS		
Cash and cash equivalents	\$ 9,897	\$ 9,892
Investments, at market value	<u>46,220</u>	<u>42,754</u>
Total restricted assets	<u>\$ 56,117</u>	<u>\$ 52,646</u>
Total assets	<u>\$4,505,620</u>	<u>\$4,242,054</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes payable – current	\$ 317,716	\$ 118,764
Accounts payable	8,959	58,325
Deferred support	5,000	10,974
Accrued expenses	<u>140,627</u>	<u>81,681</u>
Total current liabilities	<u>\$ 472,302</u>	<u>\$ 269,744</u>
OTHER LIABILITIES		
Custodial funds	<u>\$ 58,570</u>	<u>\$ 60,825</u>
LONG TERM LIABILITIES		
Notes payable – long term	<u>111,835</u>	<u>-</u>
Total liabilities	<u>\$ 642,707</u>	<u>\$ 330,569</u>
NET ASSETS		
With donor restrictions	\$ 74,645	\$ 64,972
Without donor restrictions	<u>3,788,268</u>	<u>3,846,513</u>
Total net assets	<u>\$3,862,913</u>	<u>\$3,911,485</u>
Total liabilities and net assets	<u>\$4,505,620</u>	<u>\$4,242,054</u>

See Notes to Financial Statements.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

STATEMENT OF ACTIVITIES
For the Year Ending September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Public support –			
Annual giving	\$ 17,875	\$ 1,000	\$ 18,875
Grants and donations	21,672	22,285	43,957
United Way allocations	<u>29,641</u>	<u>19,500</u>	<u>49,141</u>
Total public support	<u>\$ 69,188</u>	<u>\$ 42,785</u>	<u>\$ 111,973</u>
 Program revenue –			
Cookie sales:			
Gross revenue	\$ 3,234,892		
Direct costs	<u>1,016,918</u>	\$ 2,217,974	\$ 2,217,974
Fall product sales:			
Gross revenue	\$ 113,756		
Direct costs	<u>38,152</u>	75,604	75,604
Sales of supplies:			
Gross revenue	\$ 122,084		
Direct costs	<u>109,740</u>	12,344	12,344
Program service fees:			
Day camp and other program fees	<u>14,865</u>	-	<u>14,865</u>
Total program revenue	<u>\$ 2,320,787</u>	<u>\$ -</u>	<u>\$ 2,320,787</u>
 Other revenue (expenses), gains and (losses):			
Net investment income	\$ 192,839	\$ 3,471	\$ 196,310
Gain on sale of fixed assets	750	-	750
Other miscellaneous revenue (expenses)	<u>23,608</u>	-	<u>23,608</u>
Total other revenue	<u>\$ 217,197</u>	<u>\$ 3,471</u>	<u>\$ 220,668</u>
 Net assets released from restrictions	<u>\$ 36,583</u>	<u>\$ (36,583)</u>	<u>\$ -</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 2,643,755</u>	<u>\$ 9,673</u>	<u>\$ 2,653,428</u>
 EXPENSES:			
Program services	\$ 2,170,994	\$ -	\$ 2,170,994
Supporting services –			
Management and general	389,750	-	389,750
Fundraising	<u>141,256</u>	-	<u>141,256</u>
Total expenses	<u>\$ 2,702,000</u>	<u>\$ -</u>	<u>\$ 2,702,000</u>
 Change in net assets	\$ (58,245)	\$ 9,673	\$ (48,572)
Net assets at beginning of year	<u>3,846,513</u>	<u>64,972</u>	<u>3,911,485</u>
 Net assets at end of year	<u>\$ 3,788,268</u>	<u>\$ 74,645</u>	<u>\$ 3,862,913</u>

See Notes to Financial Statements.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

STATEMENT OF ACTIVITIES
For the Year Ending September 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Public support –			
Annual giving	\$ 13,505	\$ 1,535	\$ 15,040
Grants and donations	38,559	9,600	48,159
United Way allocations	<u>39,392</u>	<u>25,000</u>	<u>64,392</u>
Total public support	<u>\$ 91,456</u>	<u>\$ 36,135</u>	<u>\$ 127,591</u>
 Program revenue –			
Cookie sales:			
Gross revenue	\$ 3,445,269		
Direct costs	<u>1,063,444</u>	\$ 2,381,825	\$ 2,381,825
Fall product sales:			
Gross revenue	\$ 131,396		
Direct costs	<u>46,196</u>	85,200	85,200
Sales of supplies:			
Gross revenue	\$ 176,913		
Direct costs	<u>120,926</u>	55,987	55,987
Program service fees:			
Day camp and other program fees	<u>46,181</u>	-	<u>46,181</u>
Total program revenues	<u>\$ 2,569,193</u>	<u>\$ -</u>	<u>\$ 2,569,193</u>
 Other revenue (expenses), gains and (losses):			
Net investment income	\$ 45,717	\$ 1,477	\$ 47,194
Other miscellaneous revenue (expenses)	<u>4,414</u>	<u>-</u>	<u>4,414</u>
Total other revenue	<u>\$ 50,131</u>	<u>\$ 1,477</u>	<u>\$ 51,608</u>
 Net assets released from restrictions	<u>\$ 41,793</u>	<u>\$ (41,793)</u>	<u>\$ -</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 2,752,573</u>	<u>\$ (4,181)</u>	<u>\$ 2,748,392</u>
 EXPENSES:			
Program services	\$ 2,285,678	\$ -	\$ 2,285,678
Supporting services –			
Management and general	423,579	-	423,579
Fundraising	<u>185,877</u>	<u>-</u>	<u>185,877</u>
Total expenses	<u>\$ 2,895,134</u>	<u>\$ -</u>	<u>\$ 2,895,134</u>
 Change in net assets	\$ (142,561)	\$ (4,181)	\$ (146,742)
Net assets at beginning of year	<u>3,989,074</u>	<u>69,153</u>	<u>4,058,227</u>
 Net assets at end of year	<u>\$ 3,846,513</u>	<u>\$ 64,972</u>	<u>\$ 3,911,485</u>

See Notes to Financial Statements.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending September 30, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$1,086,815	\$ 244,545	\$ 88,236	\$1,419,596
Staff health and retirement benefits	266,669	58,875	20,779	346,323
Payroll taxes	82,785	18,277	6,451	107,513
Total salaries and benefits	<u>\$1,436,269</u>	<u>\$ 321,697</u>	<u>\$ 115,466</u>	<u>\$1,873,432</u>
Advertising and promotion	\$ -	\$ 10,622	\$ -	\$ 10,622
Office expense	13,197	14,063	122	27,382
Bad debts	-	7,742	-	7,742
Professional fees	9,013	25,320	-	34,333
Telephone	3,836	90,088	-	93,924
Janitorial	-	5,335	-	5,335
Postage	3,323	11,391	-	14,714
Utilities	31,243	-	-	31,243
Incentives	179,163	-	-	179,163
Insurance	6,482	41,477	-	47,959
Interest expense	5,071	-	-	5,071
Printing	5,626	1,202	-	6,828
Travel	18,440	3,495	384	22,319
Repairs and maintenance	48,547	23,777	-	72,324
Rental fees	10,425	52,556	-	62,981
Small equipment rentals and purchases	3,182	5,730	-	8,912
Dues and subscriptions	200	3,719	125	4,044
Specific assistance	34,343	-	-	34,343
Depreciation	-	90,153	-	90,153
Direct program expenses	53,919	-	-	53,919
Indirect expense allocation	306,338	(330,208)	23,870	-
Council meetings	30	115	144	289
Workers' compensation	-	11,351	-	11,351
Other	2,347	125	1,145	3,617
Total operating expenses	<u>\$ 734,725</u>	<u>\$ 68,053</u>	<u>\$ 25,790</u>	<u>\$ 828,568</u>
Total expenses	<u>\$2,170,994</u>	<u>\$ 389,750</u>	<u>\$ 141,256</u>	<u>\$2,702,000</u>
Percentage of expenses by function to total expenses	<u>80.4%</u>	<u>14.4%</u>	<u>5.2%</u>	<u>100.0%</u>

See Notes to Financial Statements.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ending September 30, 2019

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$1,078,215	\$ 253,105	\$ 105,608	\$1,436,928
Staff health and retirement benefits	274,507	64,439	26,887	365,833
Payroll taxes	82,534	19,374	8,084	109,992
Total salaries and benefits	<u>\$1,435,256</u>	<u>\$ 336,918</u>	<u>\$ 140,579</u>	<u>\$1,912,753</u>
Advertising and promotion	\$ -	\$ 23,371	\$ -	\$ 23,371
Office expense	24,482	24,578	552	49,612
Bad debts	-	21,238	-	21,238
Professional fees	10,890	34,005	-	44,895
Telephone	908	93,215	-	94,123
Janitorial	-	6,840	-	6,840
Postage	193	11,170	-	11,363
Utilities	37,492	-	-	37,492
Incentives	108,979	-	-	108,979
Insurance	4,699	44,575	-	49,274
Interest expense	5,828	-	-	5,828
Printing	13,672	2,576	-	16,248
Travel	43,475	14,404	1,244	59,123
Repairs and maintenance	84,660	29,682	-	114,342
Rental fees	29,848	58,469	-	88,317
Small equipment rentals and purchases	4,028	20,502	-	24,530
Dues and subscriptions	-	4,030	834	4,864
Conferences and training	-	3,802	33	3,835
Specific assistance	61,659	-	-	61,659
Depreciation	-	92,588	-	92,588
Direct program expenses	45,840	-	-	45,840
Indirect expense allocation	371,259	(407,623)	36,364	-
Council meetings	223	73	276	572
Workers' compensation	-	8,711	-	8,711
Other	2,287	455	5,995	8,737
Total operating expenses	<u>\$ 850,422</u>	<u>\$ 86,661</u>	<u>\$ 45,298</u>	<u>\$ 982,381</u>
Total expenses	<u>\$2,285,678</u>	<u>\$ 423,579</u>	<u>\$ 185,877</u>	<u>\$2,895,134</u>
Percentage of expenses by function to total expenses	<u>79.0%</u>	<u>14.6%</u>	<u>6.4%</u>	<u>100.0%</u>

See Notes to Financial Statements.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (48,572)	\$ (146,742)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	90,153	92,588
Bad debt expense	7,742	21,238
Net realized and unrealized (gain) loss on investments	(150,208)	53,446
Gain on disposal of fixed assets	(750)	-
Decrease (increase) in assets –		
Other receivables	(97,138)	(1,932)
Inventory	7,743	(8,471)
Accrued interest receivable	4,018	270
Prepaid expenses	(5,474)	11,095
Increase (decrease) in liabilities –		
Accounts payable	(49,366)	6,974
Accrued expenses	58,946	(19,260)
Deferred support	(5,974)	8,439
Custodial funds	(2,255)	(1,734)
Net cash provided by (used in) operating activities	<u>\$ (191,135)</u>	<u>\$ 15,911</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	\$ (139,278)	\$ (78,994)
Proceeds from sale of investments	750	-
Purchase of investments	(511,999)	(1,502,580)
Proceeds from sale of investments	<u>480,000</u>	<u>1,906,000</u>
Net cash provided by (used in) investing activities	<u>\$ (170,527)</u>	<u>\$ 324,426</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt	\$ 328,113	\$ -
Principal payments on debt	<u>(17,326)</u>	<u>(16,569)</u>
Net cash provided by (used in) financing activities	<u>\$ 310,787</u>	<u>\$ (16,569)</u>
Net increase (decrease) in cash and cash equivalents	(50,875)	323,768
Cash and cash equivalents at beginning of year	<u>1,657,013</u>	<u>1,333,245</u>
Cash and cash equivalents at end of year	<u>\$ 1,606,138</u>	<u>\$ 1,657,013</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 5,071</u>	<u>\$ 5,828</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEETS		
Cash and cash equivalents – current	\$ 1,596,241	\$ 1,647,121
Cash and cash equivalents – restricted	<u>9,897</u>	<u>9,892</u>
	<u>\$ 1,606,138</u>	<u>\$ 1,657,013</u>

See Notes to Financial Statements.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Girl Scouts of Louisiana – Pines to the Gulf, Inc. (the “Council”) was created on January 1, 2008 through the merger of three existing Girl Scout Councils within Louisiana. The Council is incorporated in the State of Louisiana as a nonprofit organization as of January 1, 2008. The purpose of the Council is to build girls of courage, confidence and character who make the world a better place.

Basis of presentation:

The financial statements of the Council have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The Council reports information regarding its financial position and activities according to two classes of net assets. Net assets without donor restrictions are not subject to or are no longer subject to donor-imposed stipulations. Net assets whose use is limited by donor-imposed time and or purpose restrictions are reported as net assets with donor restrictions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Council considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Receivables:

Other receivables consist primarily of amounts due for cookie sales and other miscellaneous items. An allowance for uncollectible accounts is estimated based on management experience of potential bad debts. At September 30, 2020 and 2019 and allowance of \$-0- was recognized in the financial statements respectively. Uncollected receivables are charged off against the allowance when no longer deemed collectible.

NOTES TO FINANCIAL STATEMENTS

Investments:

Investments are valued at market. Interest, dividends, and realized and unrealized gains and losses are recognized within the statements of activities as investment income.

Inventories:

Inventories are valued at the lower of cost (as determined by use of average cost method) or market. Market is considered as the lower of either estimated replacement cost or estimated net realizable value.

Property, plant, and equipment:

Property, plant, and equipment are stated at cost. Additions of new equipment, major renewals and replacements of existing equipment are capitalized. Repairs and minor replacements that do not materially increase values or extend useful lives are expensed. Cost and accumulated depreciation are removed from the accounts when assets are sold or retired, and the resulting gains or losses are included in income.

Depreciation of property and equipment is computed using the straight-line method based upon the expected useful lives of the various classes of assets as follows:

	<u>Years</u>
Buildings and improvements	5 – 40
Office equipment	5 – 18
Camp equipment	5 – 10

Revenue recognition:

All grants are recorded as revenue when the grant is earned. Donations are recorded at fair value at the date of donation and, if restricted by donor, are reflected as temporarily restricted net assets until those restrictions are satisfied. Program revenues including sales of cookies, supplies and other items as well as program fees are recognized when earned.

Pension plan:

A non-contributory pension plan exists for all Council employees who satisfy the plan's age and service requirements. The plan is administered by a trustee and the pension plan contributions are invested. The Council's policy is to expense amounts contributed to the plan in the year of contribution. As of July 31, 2010, the plan was frozen with no new benefits to employees accruing beyond that date.

Advertising:

The Council uses advertising to promote its programs among the audiences it serves. Advertising and promotion costs are expensed as incurred. These costs amounted to \$10,622 and \$23,371 in 2020 and 2019, respectively.

NOTES TO FINANCIAL STATEMENTS

Employee benefit plan:

On January 1, 2008, the Council adopted the 401(k) plan that had been established by the Bayou Council effective January 1, 2001. The plan is to provide retirement benefits for employees. Any full-time employee over the age of 21, who has been employed by the Council for one year and has completed 1,000 hours of service, is eligible to participate. Participants may contribute to the plan by deferring up to 15% of their gross salary, within certain IRS imposed limitations for maximum contributions in a given year. The Council will match 50% of the participants' contribution up to 6% of the employee's compensation. The amount included in expense for the fiscal years ended September 30, 2020 and 2019 were \$21,293 and \$17,066, respectively.

Income taxes:

The Council is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Nonprofit organizations are not taxable under the laws of the State of Louisiana. The Council's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS generally for three years after they are filed.

Functional expenses:

Expenses are allocated on a functional basis among three categories: program services, management and general, and fundraising. Some expenses are allocated directly to the program service benefited. All other expenses are allocated in relation to salaries attributable for the program service or support service to total salaries for the Council.

Recent accounting pronouncements:

The Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* as amended. This ASU is a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under U.S. GAAP. All revenue generated through exchange transactions will be subject to the standard. For the Council this is primarily membership dues, sales of products, sponsorships and special events. This update was effective for fiscal years beginning after December 15, 2018. In June 2020 the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*. This update defers for one year the effective date of ASU 2014-09 and allows the Council to elect to adopt the guidance for annual reporting periods beginning after December 15, 2019. As such the Council expects to adopt the provisions of this update next year and is currently evaluating the impact of this guidance on the financial statements.

In August 2018 the FASB issued ASU 2018-13 "*Fair Value Measurement (Topic 820) Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*". This update which is effective for fiscal years beginning after December 15, 2019 removes, modifies and adds to fair value disclosure requirements. The Council is evaluating the impact of this guidance on the financial statements and plans to adopt these provisions next year.

NOTES TO FINANCIAL STATEMENTS

Adopted accounting pronouncements:

In August 2016 the FASB issued ASU 2016-15 “*Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments*”. This update provides guidance on specific cash flow issues in order to reduce diversity in practice. In November 2016 the FASB issued ASU 2016-18 “*Statement of Cash Flows (Topic 230) Restricted Cash*”. This update requires that the statement of cash flows explain the change during the period in the total of cash and cash equivalents and amounts described as restricted cash. These updates were effective for fiscal years beginning after December 15, 2018. As such, the Council adopted the provisions of these updates as of October 1, 2019. The adoption of these changes had no effect on the financial statements as previously stated.

In June 2018 the FASB issued ASU 2018-08 “*Not for Profit Entities (Topic 958) Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*”. This update clarifies and improves the scope of the accounting guidance about whether a transfer of assets (or the reduction, settlement or cancellation of liabilities) is a contribution or an exchange transaction. The amendments also require that an entity determine whether a contribution is conditional that must be satisfied and whether a right of return exists. Consequently, it clarifies the timing of revenue recognition and the guidance which applies. The amendments in this update were effective for fiscal years beginning after December 15, 2018 for resource recipients and December 15, 2019 for resource providers. The amendments in this update are applied on a modified prospective basis. As such, agreements that were not completed as of the effective date or entered into after the effective date were considered. The Council adopted the amendments in this update October 1, 2019. These amendments had no effect on the financial statements in 2020.

Note 2. Investments

Investments as of September 30, 2020 and 2019 consisted of the following:

	2020	2019
Mutual funds	\$ 951,398	\$ 776,525
Exchange traded funds	56,144	51,995
Certificates of deposit	480,007	480,288
Investments – unrestricted	\$ 1,487,549	\$ 1,308,808
Mutual funds – restricted	46,220	42,754
 Total investments	 \$ 1,533,769	 \$ 1,351,562

Total investment return during the years ending September 30, 2020 and 2019 amounted to a net gain of \$196,310 and \$47,194, respectively. These amounts were comprised of \$50,109 and \$100,640 in interest and gain distributions in 2020 and 2019, respectively, and net gains (losses) in the fair value of investments of \$150,208 in 2020 and \$(53,446) in 2019. The carrying amount of investments pledged as collateral against notes payable amounted to \$1,009,588.

NOTES TO FINANCIAL STATEMENTS

Note 3. Inventory

Inventory as of September 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Badges, patches, pins, booklets, and uniforms	<u>\$ 129,163</u>	<u>\$ 136,906</u>

Note 4. Property, Plant, and Equipment

Property, plant, and equipment as of September 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 184,429	\$ 184,429
Buildings and improvements	1,919,000	1,800,845
Furniture and equipment	669,908	665,776
Camp sewer treatment plant	<u>320,918</u>	<u>320,918</u>
	\$ 3,094,255	\$ 2,971,968
Less: accumulated depreciation	<u>(1,968,959)</u>	<u>(1,895,797)</u>
	<u>\$ 1,125,296</u>	<u>\$ 1,076,171</u>

Note 5. Pension Expense

The council participates in the National Girl Scout Council Retirement Plan (NGSCR), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of Girl Scouts of the USA voted to freeze the plan to new entrants and to freeze future benefit accruals for all current participants under the Plan effective July 31, 2010. The plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the plan prior to the Plan freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels.

Although net Plan assets grew during the year, net Plan assets available for Plan benefits continue to be less than the actuarial present value of accumulated Plan benefits as of January 1, 2020. Based on the April 18, 2014 conditional approval by the Internal Revenue Service (IRS), all existing amortization bases in the Plan's funding standard account as of January 1, 2013 were combined into one base and the resulting amortization period for that single base was extended to 10 years. Approval applies as long as at a minimum, beginning with the January 1, 2013 calendar year, \$30,000,000 is remitted. The \$30,000,000 calendar year minimum applies for each succeeding calendar year until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). In addition, on April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million for calendar years 2021 and 2022 to \$26 million starting in the calendar year 2023 until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). Aggregate annual contributions made in fiscal years 2019 and 2020 were \$32.2 million, and \$32.2 million, respectively. Aggregate contributions to be made in fiscal 2021 are expected to be \$32.2 million.

NOTES TO FINANCIAL STATEMENTS

The Council's contributions made in fiscal years 2020 and 2019 are \$205,824 and \$217,232, respectively.

Note 6. Concentration of Credit Risk and Revenue Concentration

Substantially, all of the Council's public support is derived from donations in northern and southwestern Louisiana. Allocations from local United Way agencies provided approximately 44% and 50% of public support during the years ending September 30, 2020 and 2019, respectively.

The Council's major program event is its annual cookie sale. This event accounted for approximately 83% and 87% of total public support and revenue during the years ending September 30, 2020 and 2019, respectively.

Throughout the year, the Council had deposits and investments in excess of insurance coverages by the FDIC and SIPC. However, the Council does not anticipate any losses related to these uninsured amounts.

Note 7. Operating Lease

The Council renewed a lease for office space in Lake Charles in January, 2019. This lease had a lease term of 12 months beginning January 1 and ending December 31, 2019. This lease was renewed on the same terms through December 31, 2020. Monthly rental payments were \$1,310 per month. However, the building sustained significant damage as the result of a hurricane in August 2020 and the lease was cancelled. Total rental expense associated with this lease amounted to \$15,720 and \$15,530 in 2020 and 2019, respectively.

The Council entered into a three year lease for office space in Alexandria in August 2016. Terms of this lease called for monthly payments of \$250 per month through August 30, 2019. Rent was payable in advance on the first day of each month during the term of the lease. In August 2019 the Council began leasing this office on a month to month basis. Rental expense associated with this lease was \$3,000 in 2020 and 2019. In November 2020 the Council closed this office.

The Council entered into a one year lease for office space in Monroe in August 2019. Terms of this lease called for monthly payments of \$945 per month through July 2020. This lease was renewed at \$973 per month through July 2021. Rent is payable on the first day of each month during the term of the lease. Total rental expense associated with these lease amounted to \$11,397 and \$12,528 in 2020 and 2019, respectively.

Future minimum rental payments associated with these leases are as follows:

2021	<u>\$ 9,744</u>
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NOTES TO FINANCIAL STATEMENTS

Note 8. Note Payable

Note payable to the bank as of September 30 consisted of the following:

	<u>2020</u>	<u>2019</u>
Note payable to the bank, due on demand or in monthly payments, including principal and interest of \$1,866, remaining principal and interest due at maturity. Maturing on October 27, 2025, interest rate of 4.50% secured by assignment of brokerage investment account with a carrying value of \$1,009,588 and \$837,345 at 2020 and 2019, respectively.	\$ 101,438	\$ 118,764
Paycheck Protection Program loan, interest rate of 1.00%, 18 monthly principal and interest payments of \$18,228 beginning October 13, 2020, maturing April 13, 2022	<u>328,113</u> \$ 429,551	<u>-</u> \$ 118,764
Less: current portion	<u>317,716</u>	<u>\$ 118,764</u>
Long-term portion	<u>\$ 111,835</u>	<u>\$ -</u>

The entire balance of the note payable to bank is classified as current due to the due on demand clause within the note. Maturities of these notes for each of the next five years, if the bank does not exercise the due on demand clause, are expected to be as follows:

2021	\$ 234,667
2022	130,715
2023	19,929
2024	20,844
2025	<u>23,396</u>
	<u>\$ 429,551</u>

On April 13, 2020, the Council received loan proceeds in the amount of \$328,113 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The Council may be eligible for loan forgiveness of the full amount plus accrued interest after eight weeks. The maximum amount that may be eligible for forgiveness will be based on the amount of payroll costs, mortgage interest, rent expenses and utilities paid by the Council during the covered period. The actual amount that will be forgiven may be subject to a cap on the amount of non-payroll expenses that will be deemed eligible for forgiveness and will be reduced if the borrower terminates employees or reduces salaries during the covered period as compared to the chosen reference period.

The unforgiven portion of the PPP loan is payable over 2 years at an interest rate of 1%, with a deferral of payments for the first six months. The Council currently believes that its use of the loan proceeds has met the conditions for forgiveness of the loan. However, the application for forgiveness has not yet been filed.

NOTES TO FINANCIAL STATEMENTS

Note 9. Net Assets

Net assets consisted of the following as of September 30:

	2020	2019
With donor restrictions:		
Restricted for specified purpose	\$ 18,528	\$ 12,326
Endowment – future income	56,117	52,646
	\$ 74,645	\$ 64,972
Without donor restrictions:		
Property, plant, and equipment	\$ 1,125,296	\$ 1,076,171
Designated – Elsie Webb	691,932	785,061
Designated – Nora Duncan	10,669	10,669
Designated – capital improvements	-	18,000
Designated – camp improvements	145,054	157,822
Undesignated	1,815,317	1,798,790
	\$ 3,788,268	\$ 3,846,513

Net assets released from restrictions during the years ending September 30, 2020 and 2019 were as follows:

	2020	2019
Time and purpose restrictions satisfied	\$ 36,583	\$ 41,793

Note 10. Disclosures About Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

In accordance with ASC 820, the Council groups assets and financial liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes securities that are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

NOTES TO FINANCIAL STATEMENTS

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. For example, municipal securities valuations are based on markets that are currently offering similar financial products. Valuations are obtained from third party pricing services for identical or comparable assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Below is a table that presents information about certain assets and liabilities measured at fair value on a recurring basis:

		Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		<u>Fair Value</u>		
<u>As of September 30, 2020</u>				
Unrestricted:				
Certificates of deposit	\$ 480,007	\$ -	\$ -	\$ 480,007
Mutual funds	951,398	951,398	-	-
Exchange traded funds	<u>56,144</u>	<u>56,144</u>	-	-
	\$ 1,487,549	\$ 1,007,542	\$ -	\$ 480,007
Restricted:				
Mutual funds	<u>46,220</u>	<u>46,220</u>	-	-
Total	<u>\$ 1,533,769</u>	<u>\$ 1,053,762</u>	<u>\$ -</u>	<u>\$ 480,007</u>

		Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets/ Liabilities Fair Value	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>As of September 30, 2019</u>				
Unrestricted:				
Certificates of deposit	\$ 480,288	\$ -	\$ -	\$ 480,288
Mutual funds	776,525	776,525	-	-
Exchange traded funds	<u>51,995</u>	<u>51,995</u>	-	-
	\$ 1,308,808	\$ 828,520	\$ -	\$ 480,288
Restricted:				
Mutual funds	<u>42,754</u>	<u>42,754</u>	-	-
Total	<u>\$ 1,351,562</u>	<u>\$ 871,274</u>	<u>\$ -</u>	<u>\$ 480,288</u>

NOTES TO FINANCIAL STATEMENTS

Changes in investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were as follows:

	Fair Value Measurements Using Significant Unobservable Inputs Level (3)	
	2020	2019
Beginning balance	\$ 480,288	\$ 945,917
Purchases	480,000	1,440,000
Redemptions	(480,000)	(1,906,000)
Unrealized gains and (losses) (recognized in investment income)	(281)	371
Ending balance	\$ 480,007	\$ 480,288

Note 11. Governmental Funding

The Council received during the years ending September 30, 2020 and 2019 local governmental funding for various initiatives and programs amounting to \$10,385 and \$7,000, respectively.

Note 12. Endowments and Net Asset Classifications

The Council's endowments consist of one individual fund established for the purpose of providing future income for the Council. The endowment is a donor-restricted endowment fund whereby the stipulation of the gift requires that the balance reach a total of \$1,000,000 before any amounts can be used by the Council. As required by generally accepted accounting principles, net assets associated with this endowment fund is classified and reported based on the existence of the donor-imposed restrictions.

Interpretation of Relevant Law

In June 2010, Act 168 of the regular session of the Louisiana Legislature was signed into law by the Governor. This act adopted the provisions of the Uniform Prudent Management of Institution Funds Act and is effective as of July 1, 2010. Consistent with this law, the Board of Directors adopted a policy stating its intention to make all reasonable efforts to the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment fund absent explicit donor stipulations to the contrary. Currently, the Council classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction (if any) of the applicable donor gift instrument at the time the accumulation is added to the fund, until those amounts are appropriated for expenditure by the Council in a manner consistent with the Council and Board's policies and procedures.

NOTES TO FINANCIAL STATEMENTS

The following is the endowment net asset composition by type of fund as of September 30, 2020 and 2019:

	<u>September 30, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor – restricted endowment funds	\$ -	\$ 56,117	\$ 56,117

	<u>September 30, 2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor – restricted endowment funds	\$ -	\$ 52,646	\$ 52,646

The following is the recap of changes in endowment balances as of September 30, 2020 and 2019.

	<u>September 30, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 52,646	\$ 52,646
Investment return:			
Net appreciation (realized and unrealized)	-	3,471	3,471
Endowment net assets, end of year	\$ -	\$ 56,117	\$ 56,117

	<u>September 30, 2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 51,169	\$ 51,169
Investment return:			
Net appreciation (realized and unrealized)	-	1,477	1,477
Endowment net assets, end of year	\$ -	\$ 52,646	\$ 52,646

NOTES TO FINANCIAL STATEMENTS

Return Objectives and Risk Parameters

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Council 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 attain a favorable return, with emphasis on preservation of capital and long-term growth, without jeopardizing liquidity needs.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Council 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).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Council and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Council
- 7) The investment policies of the Council

NOTES TO FINANCIAL STATEMENTS

Note 13. Liquidity and Funds Available

The Council monitors its liquidity so that it is able to meet the operating needs and other contractual commitments. The following table reflects the Council's financial assets as of September 30, 2020 and 2019, reduced by amounts not available for general expenditure within one year.

	2020	2019
Cash and cash equivalents and restricted cash	\$ 1,606,138	\$ 1,657,013
Other receivables, net	92,333	2,937
Investments	1,533,769	1,351,562
Total financial assets	3,232,240	3,011,512
Contractual or donor imposed restrictions:		
Cash restricted by donor	(18,528)	(12,326)
Endowment fund cash and investments	(56,117)	(52,646)
Investment account pledged as collateral on note payable to bank	(1,009,588)	(837,345)
Custodial funds	(58,570)	(60,825)
Board designations:		
Elsie Webb fund	(691,932)	(785,061)
Nora Duncan fund	(10,669)	(10,669)
Capital improvements	-	(18,000)
Camp improvements	(145,054)	(157,822)
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 1,241,782</u>	<u>\$ 1,076,818</u>

The Council also has available for spending without limitation the board-designated funds which are earmarked for specific purposes but may be spent at the discretion of the Board. In addition to financial assets available to meet general expenditures over the upcoming year, the Council makes efforts to operate within a balanced budget and anticipates covering a significant portion if not all of its general expenditures by generating sufficient revenue and support in the upcoming year.

Note 14. Coronavirus Pandemic

On January 30, 2020. The World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and business. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Council operates. It is unknown how long these conditions will last and what the complete financial effect will be on the Council.

NOTES TO FINANCIAL STATEMENTS

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 15. Subsequent Events

The Council evaluated the need for disclosures and/or adjustments resulting from subsequent events through January 27, 2021, the date the financial statements were available to be issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments under general accounting standards.

SUPPLEMENTARY INFORMATION

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
Year Ended September 30, 2020

Agency Head: Rachel Broussard

There were no compensation, benefits and other payments paid in fiscal year ended September 30, 2020 from public funds.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

SCHEDULES OF COOKIE REVENUE AND EXPENSE

Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cookie sales revenue	\$ 3,644,011	\$ 3,876,383
Allocations to troops	<u>(409,119)</u>	<u>(431,114)</u>
Cookie revenue net of troop allocations	\$ 3,234,892	\$ 3,445,269
Cost of cookie sales	<u>(1,016,918)</u>	<u>(1,063,444)</u>
Gross profit	<u>\$ 2,217,974</u>	<u>\$ 2,381,825</u>
Sales price per standard box	<u>\$ 4.00</u>	<u>\$ 4.00</u>
Sales price per specialty box	<u>\$ 5.00</u>	<u>\$ 5.00</u>

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Girl Scouts of Louisiana – Pines to the Gulf, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Girl Scouts of Louisiana – Pines to the Gulf, Inc. (a non-profit organization), which comprise the statements of financial position as of September 30, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated January 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2020-01 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Council's Response to Findings

The Council's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lafayette, Louisiana
January 27, 2021

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended September 30, 2020

We have audited the financial statements of Girl Scouts of Louisiana – Pines to the Gulf, Inc. as of and for the year ended September 30, 2020, and have issued our report thereon dated January 27, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of September 30, 2020 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses Yes None Reported

Control deficiencies identified

that are not considered to be
material weaknesses

Yes None Reported

Compliance

Compliance Material to Financial Statements Yes No

Section II - Financial Statement Findings

2020-01 – Cookie revenue receipts

Condition: During our audit procedures it was noted that certain proceeds from cookie sales by individual troops were not properly swept into the Council's account. This was partially the result of a change in the method used to collect the proceeds this year versus last year as well as the COVID lockdown. It was further noted that a reconciliation of the cookie sales report by troop to the general ledger was not performed during the year.

Criteria: An effective system of internal control requires a process whereby amounts reported in the financial statements are reconciled to the underlying records to ensure all transactions are properly recorded.

Cause: Absence of reconciliation process whereby amounts recorded as revenue are agreed to underlying activity reports.

Effect: Cookie sales revenue was understated and some sales proceeds were not properly swept into the Council's account.

Recommendation: The Council should implement a means of monitoring activity of cookie sales by troops as part of the monthly close process and reconcile the troop's cookie sales to the general ledger.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended September 30, 2020

Response: ACH collection of product sale proceeds was a new process implemented during the 2019 - 2020 fiscal year. During the cookie sale, we realized that the eBudde system could be used as a sub ledger for the ACH process. However, it was not used to its full capacity until mid-way through the sale. This resulted in two troop accounts not reflecting all the transactions that had taken place. At the same time this error took place our Council shut down due to COVID which slowed our normal processes. Moving forward to the 2021 sale, we will utilize the eBudde system fully to track all payments received and/or rejected. Reconciliation during the sale will be implemented by the finance department to catch and correct any missing or incorrect payments

Section III – Management Letter

None in the current year.

GIRL SCOUTS OF LOUISIANA – PINES TO THE GULF, INC.

SCHEDULE OF PRIOR FINDINGS
For the Year Ended September 30, 2019

Section I. Internal Control and Compliance Material to the Financial Statements

None.

Section II. Internal Control and Compliance Material to Federal Awards

None.

Section III. Management Letter

None.