

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

FINANCIAL REPORT

SEPTEMBER 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girl Scouts of Louisiana – Pines to the Gulf and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Louisiana – Pines to the Gulf's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Girl Scouts of Louisiana – Pines to the Gulf’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Louisiana – Pines to the Gulf’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was 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 is 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 20, 2023, 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 the effectiveness of Girl Scouts of Louisiana – Pines to the Gulf’s 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.



BROUSSARD POCHE', LLP
Lafayette, Louisiana
January 20, 2023

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

STATEMENTS OF FINANCIAL POSITION

As of September 30, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$1,843,356	\$1,761,779
Other receivables, net	-	540,343
Inventory	102,463	117,165
Prepaid expenses	<u>19,215</u>	<u>21,114</u>
Total current assets	<u>\$1,965,034</u>	<u>\$2,440,401</u>
INVESTMENTS, at market value	<u>\$1,588,157</u>	<u>\$1,564,633</u>
PROPERTY, PLANT AND EQUIPMENT, net	<u>\$1,023,936</u>	<u>\$1,075,035</u>
RESTRICTED ASSETS		
Cash and cash equivalents	\$ 9,899	\$ 9,898
Investments, at market value	<u>50,358</u>	<u>62,002</u>
Total restricted assets	<u>\$ 60,257</u>	<u>\$ 71,900</u>
Total assets	<u>\$4,637,384</u>	<u>\$5,151,969</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes payable – current	\$ 11,057	\$ 9,047
Accounts payable	26,059	9,830
Accrued expenses	<u>216,084</u>	<u>199,325</u>
Total current liabilities	<u>\$ 253,200</u>	<u>\$ 218,202</u>
OTHER LIABILITIES		
Custodial funds	<u>\$ 69,207</u>	<u>\$ 74,096</u>
LONG TERM LIABILITIES		
Notes payable – long term	<u>\$ 481,978</u>	<u>\$ 490,953</u>
Total liabilities	<u>\$ 804,385</u>	<u>\$ 783,251</u>
NET ASSETS		
With donor restrictions	\$ 72,924	\$ 83,050
Without donor restrictions	<u>3,760,075</u>	<u>4,285,668</u>
Total net assets	<u>\$3,832,999</u>	<u>\$4,368,718</u>
Total liabilities and net assets	<u>\$4,637,384</u>	<u>\$5,151,969</u>

See Notes to Financial Statements.

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

STATEMENT OF ACTIVITIES
For the Year Ending September 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Public support –			
Annual giving	\$ 21,557	\$ 500	\$ 22,057
Grants and donations	43,588	29,338	72,925
United Way allocations	<u>22,217</u>	<u>13,750</u>	<u>35,967</u>
Total public support	<u>\$ 87,362</u>	<u>\$ 43,588</u>	<u>\$ 130,949</u>
 Program revenue –			
Cookie sales:			
Gross revenue	\$ 2,603,767		
Direct costs	<u>703,705</u>	\$ 1,900,062	\$ 1,900,062
Fall product sales:			
Gross revenue	\$ 117,882		
Direct costs	<u>59,600</u>	58,282	58,282
Sales of supplies:			
Gross revenue	\$ 83,873		
Direct costs	<u>57,745</u>	26,128	26,128
Program service fees:			
Day camp and other program fees	<u>20,278</u>	<u>-</u>	<u>20,278</u>
Total program revenue	<u>\$ 2,004,750</u>	<u>\$ -</u>	<u>\$ 2,004,750</u>
 Other revenue (expenses), gains and (losses):			
Net investment loss	\$ (341,384)	\$ (11,643)	\$ (353,026)
Other miscellaneous revenue	<u>18,889</u>	<u>-</u>	<u>18,889</u>
Total other revenue (expenses), gains and (losses)	<u>\$ (322,495)</u>	<u>\$ (11,642)</u>	<u>\$ (334,137)</u>
 Net assets released from restrictions	<u>\$ 42,071</u>	<u>\$ (42,071)</u>	<u>\$ -</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 1,811,688</u>	<u>\$ (10,126)</u>	<u>\$ 1,801,562</u>
 EXPENSES:			
Program services	\$ 1,903,069	\$ -	\$ 1,903,069
Supporting services –			
Management and general	303,568	-	303,568
Fundraising	<u>130,644</u>	<u>-</u>	<u>130,644</u>
TOTAL EXPENSES	<u>\$ 2,337,281</u>	<u>\$ -</u>	<u>\$ 2,337,281</u>
 Change in net assets	\$ (525,593)	\$ (10,126)	\$ (535,719)
Net assets at beginning of year	<u>4,285,668</u>	<u>83,050</u>	<u>4,368,718</u>
 Net assets at end of year	<u>\$ 3,760,075</u>	<u>\$ 72,924</u>	<u>\$ 3,832,999</u>

See Notes to Financial Statements.

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

STATEMENT OF ACTIVITIES
For the Year Ending September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE:			
Public support –			
Annual giving	\$ 13,738	\$ 4,033	\$ 17,771
Grants and donations	43,468	30,093	73,561
United Way allocations	<u>33,075</u>	<u>11,250</u>	<u>44,325</u>
Total public support	<u>\$ 90,281</u>	<u>\$ 45,376</u>	<u>\$ 135,657</u>
 Program revenue –			
Cookie sales:			
Gross revenue	\$ 1,989,076		
Direct costs	<u>649,885</u>	\$ 1,339,191	\$ 1,339,191
Fall product sales:			
Gross revenue	\$ 111,759		
Direct costs	<u>55,065</u>	56,694	56,694
Sales of supplies:			
Gross revenue	\$ 88,068		
Direct costs	<u>62,894</u>	25,174	25,174
Program service fees:			
Day camp and other program fees	<u>31,891</u>	<u>-</u>	<u>31,891</u>
Total program revenue	<u>\$ 1,452,950</u>	<u>\$ -</u>	<u>\$ 1,452,950</u>
 Other revenue (expenses), gains and (losses):			
Net investment income	\$ 322,288	\$ 15,783	\$ 338,071
Loss on sale of fixed assets	(5,395)	-	(5,395)
Government grants	868,454	-	868,454
Other miscellaneous revenue	<u>137,817</u>	<u>-</u>	<u>137,817</u>
Total other revenue (expenses), gains and (losses)	<u>\$ 1,323,164</u>	<u>\$ 15,783</u>	<u>\$ 1,338,947</u>
 Net assets released from restrictions	<u>\$ 52,754</u>	<u>\$ (52,754)</u>	<u>\$ -</u>
 TOTAL PUBLIC SUPPORT AND REVENUE	<u>\$ 2,919,149</u>	<u>\$ 8,405</u>	<u>\$ 2,927,554</u>
 EXPENSES:			
Program services	\$ 1,968,118	\$ -	\$ 1,968,118
Supporting services –			
Management and general	356,426	-	356,426
Fundraising	<u>97,205</u>	<u>-</u>	<u>97,205</u>
TOTAL EXPENSES	<u>\$ 2,421,749</u>	<u>\$ -</u>	<u>\$ 2,421,749</u>
 Change in net assets	\$ 497,400	\$ 8,405	\$ 505,805
Net assets at beginning of year	<u>3,788,268</u>	<u>74,645</u>	<u>3,862,913</u>
 Net assets at end of year	<u>\$ 4,285,668</u>	<u>\$ 83,050</u>	<u>\$ 4,368,718</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, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 938,968	\$ 184,954	\$ 73,817	\$1,197,739
Staff health and retirement benefits	220,128	43,360	17,305	280,793
Payroll taxes	70,755	13,937	5,562	90,254
Total salaries and benefits	<u>\$1,229,851</u>	<u>\$ 242,251</u>	<u>\$ 96,684</u>	<u>\$1,568,786</u>
Advertising and promotion	\$ -	\$ 6,449	\$ -	\$ 6,449
Office expense	10,987	32,492	3,827	47,306
Bad debts	-	14,658	-	14,658
Professional fees	4,538	36,546	-	41,084
Telephone	2,639	75,514	-	78,153
Janitorial	-	7,680	-	7,680
Postage	3,490	1,369	-	4,859
Utilities	42,881	-	-	42,881
Incentives	123,620	-	-	123,620
Interest expense	-	7,973	-	7,973
Insurance	3	51,835	-	51,838
Printing	5,368	407	-	5,775
Travel	12,149	14,626	613	27,388
Repairs and maintenance	86,157	25,319	-	111,476
Rental fees	14,508	23,039	-	37,547
Small equipment rentals and purchases	2,478	1,822	-	4,300
Dues and subscriptions	-	3,174	150	3,324
Conferences and training	-	2,602	25	2,627
Specific assistance	6,305	-	-	6,305
Depreciation	-	82,500	-	82,500
Direct program expenses	43,004	-	-	43,004
Indirect expense allocation	311,298	(335,771)	24,473	-
Council meetings	-	100	435	535
Workers' compensation	-	8,983	-	8,983
Other	3,793	-	4,437	8,230
Total operating expenses	<u>\$ 673,218</u>	<u>\$ 61,317</u>	<u>\$ 33,960</u>	<u>\$ 768,495</u>
Total expenses	<u>\$1,903,069</u>	<u>\$ 303,568</u>	<u>\$ 130,644</u>	<u>\$2,337,281</u>
Percentage of expenses by function to total expenses	<u>81.4%</u>	<u>13.0%</u>	<u>5.6%</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, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 991,570	\$ 223,667	\$ 59,088	\$1,274,325
Staff health and retirement benefits	205,204	46,284	12,237	263,725
Payroll taxes	<u>74,376</u>	<u>16,776</u>	<u>4,435</u>	<u>95,587</u>
Total salaries and benefits	<u>\$1,271,150</u>	<u>\$ 286,727</u>	<u>\$ 75,760</u>	<u>\$1,633,637</u>
Advertising and promotion	\$ -	\$ 9,227	\$ -	\$ 9,227
Office expense	20,924	11,035	202	32,161
Bad debts	-	39,666	-	39,666
Professional fees	3,823	51,673	-	55,496
Telephone	4,031	79,318	-	83,349
Janitorial	-	7,405	-	7,405
Postage	11,418	2,496	-	13,914
Utilities	37,896	-	-	37,896
Incentives	129,065	-	-	129,065
Insurance	(40)	47,816	-	47,776
Interest expense	1,846	-	-	1,846
Printing	5,047	678	-	5,725
Travel	7,363	339	143	7,845
Repairs and maintenance	73,870	25,986	-	99,856
Rental fees	14,181	22,649	-	36,830
Small equipment rentals and purchases	2,299	861	-	3,160
Dues and subscriptions	-	1,808	500	2,308
Conferences and training	662	605	-	1,267
Specific assistance	14,464	-	-	14,464
Depreciation	-	84,015	-	84,015
Direct program expenses	58,550	-	-	58,550
Indirect expense allocation	309,012	(327,439)	18,427	-
Council meetings	-	-	225	225
Workers' compensation	-	9,531	-	9,531
Other	<u>2,557</u>	<u>2,030</u>	<u>1,948</u>	<u>6,535</u>
Total operating expenses	<u>\$ 696,968</u>	<u>\$ 69,699</u>	<u>\$ 21,445</u>	<u>\$ 788,112</u>
Total expenses	<u>\$1,968,118</u>	<u>\$ 356,426</u>	<u>\$ 97,205</u>	<u>\$2,421,749</u>
Percentage of expenses by function to total expenses	<u>81.4%</u>	<u>14.6%</u>	<u>4.0%</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, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (535,719)	\$ 505,805
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	82,500	84,015
Bad debt expense	14,658	39,666
Net realized and unrealized (gain) loss on investments	505,621	(269,251)
Loss on disposal of fixed assets	-	5,395
Decrease (increase) in assets –		
Other receivables	525,685	(487,675)
Inventory	14,702	11,998
Accrued interest receivable	-	2
Prepaid expenses	1,899	(2,195)
Increase (decrease) in liabilities –		
Accounts payable	16,229	870
Payroll Protection Plan loan forgiveness	-	(328,113)
Accrued expenses	16,759	58,698
Deferred support	-	(5,000)
Custodial funds	(4,889)	15,526
Net cash provided by (used in) operating activities	<u>\$ 637,445</u>	<u>\$ (370,259)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	\$ (31,401)	\$ (39,149)
Purchase of investments	(972,141)	(946,279)
Proceeds from sale of investments	<u>454,640</u>	<u>1,122,663</u>
Net cash provided by (used in) investing activities	<u>\$ (548,902)</u>	<u>\$ 137,235</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt	\$ -	\$ 500,000
Principal payments on debt	<u>(6,965)</u>	<u>(101,437)</u>
Net cash provided by (used in) financing activities	<u>\$ (6,965)</u>	<u>\$ 398,563</u>
Net increase in cash and cash equivalents	81,578	165,539
Cash and cash equivalents at beginning of year	<u>1,771,677</u>	<u>1,606,138</u>
Cash and cash equivalents at end of year	<u>\$ 1,853,255</u>	<u>\$ 1,771,677</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 7,973</u>	<u>\$ 1,846</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEETS		
Cash and cash equivalents – current	\$ 1,843,356	\$ 1,761,779
Cash and cash equivalents – restricted	<u>9,899</u>	<u>9,898</u>
	<u>\$ 1,853,255</u>	<u>\$ 1,771,677</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:

At September 30, 2021 other receivables consisted of amounts due for employee retention tax credits, which were collected in 2022. An allowance for uncollectible accounts is estimated based on management experience of potential bad debts. At September 30, 2022 and 2021 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 or loss.

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:

The Council's revenue is recognized when earned. Exchange transactions whereby the Council gives something of value in exchange for something else of value is accounted for under (ASC 606), *Revenue from Contracts with Customers*. All revenues generated through exchange transactions are subject to this standard. For the Council, revenues of this type are generated primarily through sales of products, sponsorships, charges for program services and certain special events. These revenues are measured based on the value of the revenue received in exchange for satisfaction of the specific performance obligation. For sales of products, revenue is recognized when the sale occurs and the products are delivered. Charges for program services are recognized as revenue when the service is provided. Revenue from special events is recognized when the event occurs. Generally amounts are due when the performance obligations are satisfied.

The Council also receives grants and contributions. All grants and contributions (i.e. non-exchange transactions) are recorded as revenue when the grant is earned or in the case of contributions once received and upon satisfaction of any conditions placed on the contribution. Contributions are recorded at fair value at the date of donation and, if restricted by donor, are reflected as donor restricted net assets until those restrictions are satisfied.

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

NOTES TO FINANCIAL STATEMENTS

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 \$6,449 and \$9,227 in 2022 and 2021, respectively.

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. For the years ended September 30, 2022 and 2021, Council's match was paused. The amount included in expense for the fiscal years ended September 30, 2022 and 2021 were \$44 and \$773, 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.

Note 2. Investments

Investments as of September 30, 2022 and 2021 consisted of the following:

	2022	2021
Mutual funds	\$ 927,518	\$ 1,245,882
Exchange traded funds	259,808	318,751
Certificates of deposit	400,831	-
Investments – unrestricted	\$ 1,588,157	\$ 1,564,633
Mutual funds – restricted	50,358	62,002
Total investments	\$ 1,638,515	\$ 1,626,635

NOTES TO FINANCIAL STATEMENTS

Total investment return during the years ending September 30, 2022 and 2021 amounted to a net loss of (\$353,026) and net gain of \$338,071, respectively. These amounts were comprised of \$152,685 and \$63,658 in interest and gain distributions in 2022 and 2021, respectively, and net gains (losses) in the fair value of investments of (\$505,711) in 2022 and \$274,413 in 2021.

Note 3. Inventory

Inventory as of September 30, 2022 and 2021 consisted of the following:

	2022	2021
Badges, patches, pins, booklets, and uniforms	<u>\$ 102,463</u>	<u>\$ 117,165</u>

Note 4. Property, Plant, and Equipment

Property, plant, and equipment as of September 30, 2022 and 2021 consisted of the following:

	2022	2021
Land and improvements	\$ 184,429	\$ 184,429
Buildings and improvements	1,921,284	1,911,884
Furniture and equipment	599,875	577,874
Camp sewer treatment plant	<u>320,918</u>	<u>320,918</u>
	\$ 3,026,506	\$ 2,995,105
Less: accumulated depreciation	<u>(2,002,570)</u>	<u>(1,920,070)</u>
	<u>\$ 1,023,936</u>	<u>\$ 1,075,035</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.

Net Plan assets grew during the year and are greater than the actuarial present value of accumulated Plan benefits as of January 1, 2022. 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 to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2021 and 2022 were \$32.7 million and \$32.2 million, respectively. Aggregate contributions to be made in fiscal 2023 are expected to be \$27.55 million.

Contributions to this plan by the Council amounted to \$173,589 and \$156,752 for the years 2022 and 2021, respectively.

NOTES TO FINANCIAL STATEMENTS

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 27% and 33% of public support during the years ending September 30, 2022 and 2021, respectively.

The Council's major program event is its annual cookie sale. This event accounted for approximately 95% and 92% of total program revenue during the years ending September 30, 2022 and 2021, 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. Note Payable

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

	<u>2022</u>	<u>2021</u>
Small Business Administration Economic Injury Disaster Loan		
Interest rate of 2.75%, payments begin 18 months from the date of the original note on March 19, 2021. Monthly installments, including principle and interest of \$2,134 with the remaining balance of principle and interest payable 30 years from date of original note. Secured by all tangible and intangible personal property including but not limited to inventory, equipment, instruments, letter of credits, credit card receivables, deposit accounts, and general intangibles of the Council.	\$ 493,035	\$ 500,000
Less: current portion	<u>11,057</u>	<u>9,047</u>
Long-term portion	<u>\$ 481,978</u>	<u>\$ 490,953</u>

Maturities of these notes for each of the next five years, are expected to be as follows:

2023	\$ 11,057
2024	11,365
2025	10,707
2026	12,005
2027	12,341
2028 and thereafter	<u>435,560</u>
	<u>\$ 493,035</u>

NOTES TO FINANCIAL STATEMENTS

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 was granted loan forgiveness of the full amount plus accrued interest on August 8, 2021, which included \$328,113 in principal and \$4,357 in interest.

Note 8. Net Assets

Net assets consisted of the following as of September 30:

	2022	2021
With donor restrictions:		
Restricted for specified purpose	\$ 12,667	\$ 11,150
Endowment – future income	60,257	71,900
	\$ 72,924	\$ 83,050
 Without donor restrictions:		
Property, plant, and equipment	\$ 1,023,936	\$ 1,075,035
Designated – Elsie Webb	691,970	622,247
Designated – Nora Duncan	10,669	10,669
Designated – camp improvements	66,641	80,459
Undesignated	1,966,859	2,497,257
	\$ 3,760,075	\$ 4,285,667

Net assets released from restrictions during the years ending September 30, 2022 and 2021 were as follows:

	2022	2021
Time and purpose restrictions satisfied	\$ 42,071	\$ 52,754

Note 9. 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.

NOTES TO FINANCIAL STATEMENTS

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.

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:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>As of September 30, 2022</u>				
Unrestricted:				
Certificates of deposit	\$ 400,831	\$ -	\$ -	\$ 400,831
Mutual funds	927,518	927,518	-	-
Exchange traded funds	<u>259,808</u>	<u>259,808</u>	-	-
	\$ 1,588,157	\$ 1,187,326	\$ -	\$ 400,831
Restricted:				
Mutual funds	<u>50,358</u>	<u>50,358</u>	-	-
Total	<u>\$ 1,638,515</u>	<u>\$ 1,237,684</u>	<u>\$ -</u>	<u>\$ 400,831</u>

NOTES TO FINANCIAL STATEMENTS

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>As of September 30, 2021</u>				
Unrestricted:				
Mutual funds	\$ 1,245,882	\$ 1,245,882	\$ -	\$ -
Exchange traded funds	<u>318,751</u>	<u>318,751</u>	<u>-</u>	<u>-</u>
	\$ 1,564,633	\$ 1,564,633	\$ -	\$ -
Restricted:				
Mutual funds	<u>62,002</u>	<u>62,002</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,626,635</u>	<u>\$ 1,626,635</u>	<u>\$ -</u>	<u>\$ -</u>

During 2022, purchases and redemptions of level 3 assets amounted to \$800,000 and \$400,000, respectively. During 2021, redemptions of level 3 assets amounted to \$480,000.

Note 10. Governmental Funding

The Council received during the years ending September 30, 2022 and 2021 local governmental funding for various initiatives and programs amounting to \$16,937 and \$7,207, respectively.

In 2021 the Council received \$540,342 in employee retention credits and \$328,113 in debt forgiveness under the payroll protection program. Both of these funding mechanisms were put in place by the federal government in response to COVID 19.

Note 11. 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

NOTES TO FINANCIAL STATEMENTS

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.

The following is the endowment net asset composition by type of fund as of September 30, 2022 and 2021:

	September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor – restricted endowment funds	\$ -	\$ 60,257	\$ 60,257
	September 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor – restricted endowment funds	\$ -	\$ 71,900	\$ 71,900

The following is the recap of changes in endowment balances as of September 30, 2022 and 2021.

	September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 71,900	\$ 71,900
Investment return:			
Net interest and depreciation (realized and unrealized)	-	(11,643)	(11,643)
Endowment net assets, end of year	\$ -	\$ 60,257	\$ 60,257
	September 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 56,117	\$ 56,117
Investment return:			
Net interest and appreciation (realized and unrealized)	-	15,783	15,783
Endowment net assets, end of year	\$ -	\$ 71,900	\$ 71,900

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 12. 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, 2022 and 2021, reduced by amounts not available for general expenditure within one year.

	2022	2021
Cash and cash equivalents and restricted cash	\$ 1,853,255	\$ 1,771,677
Other receivables, net	-	540,343
Investments	1,638,515	1,626,635
Total financial assets	\$ 3,491,770	\$ 3,938,655
Contractual or donor imposed restrictions:		
Cash restricted by donor	(12,667)	(11,150)
Endowment fund cash and investments	(60,257)	(71,900)
Custodial funds	(69,207)	(74,096)
Board designations:		
Elsie Webb fund	(691,970)	(622,247)
Nora Duncan fund	(10,669)	(10,669)
Camp improvements	(66,641)	(80,459)
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 2,580,359</u>	<u>\$ 3,068,134</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 13. Subsequent Events

The Council evaluated the need for disclosures and/or adjustments resulting from subsequent events through January 20, 2023, 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.

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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, 2022

Agency Head: Rachel Broussard

There were no compensation, benefits and other payments paid in fiscal year ended September 30, 2022 from public funds.

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

SCHEDULES OF COOKIE REVENUE AND EXPENSE
 Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cookie sales revenue	\$ 2,931,435	\$ 2,288,169
Allocations to troops	<u>(327,668)</u>	<u>(299,093)</u>
Cookie revenue net of troop allocations	\$ 2,603,767	\$ 1,989,076
Cost of cookie sales	<u>(703,705)</u>	<u>(649,885)</u>
Gross profit	<u>\$ 1,900,062</u>	<u>\$ 1,339,191</u>
Sales price per standard box	\$ <u>5.00</u>	\$ <u>4.00</u>
Sales price per specialty box	\$ <u>6.00</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, 2022 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 20, 2023.

Report on 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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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*.

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.

A handwritten signature in black ink, appearing to read "Bernard L. L. L.", is positioned above the date and location text.

Lafayette, Louisiana
January 20, 2023

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

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended September 30, 2022

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, 2022, and have issued our report thereon dated January 20, 2023. 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, 2022 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 Finding

None in the current year.

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, 2022**

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.