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

FINANCIAL REPORT

SEPTEMBER 30, 2017

CONTENTS

BROUSSARD
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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, 2017 and 2016, 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.

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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, 2017 and 2016, 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 cookie revenue and expense and the schedule of compensation, benefits and other payments to agency head 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 24, 2018, 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.

Broussard Poche LLP

Lafayette, Louisiana
January 24, 2018

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

STATEMENTS OF FINANCIAL POSITION
As of September 30, 2017 and 2016

ASSETS	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	$1,316,410	$1,227,793
Other receivables, net	20,800	19,740
Inventory	169,819	225,969
Prepaid expenses	16,921	14,934
Total current assets	$1,523,950	$1,488,436
INVESTMENTS, at market value	$2,150,207	$2,373,769
PROPERTY, PLANT AND EQUIPMENT, net	$ 992,225	$ 931,677
RESTRICTED ASSETS		
Cash and cash equivalents	$ 9,843	$ 9,842
Investments, at market value	36,481	31,567
Total restricted assets	$ 46,324	$ 41,409
Total assets	$4,712,706	$4,835,291

LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes payable – current	$ 151,163	$ 166,288
Accounts payable	14,880	15,935
Deferred support	990	7,495
Accrued expenses	150,379	109,917
Total current liabilities	$ 317,412	$ 299,635
OTHER LIABILITIES		
Custodial funds	$ 56,788	$ 54,959
Total liabilities	$ 374,200	$ 354,594
NET ASSETS		
Temporarily restricted	$ 77,628	$ 65,552
Unrestricted	4,260,878	4,415,145
Total net assets	$4,338,506	$4,480,697
Total liabilities and net assets	$4,712,706	$4,835,291

See Notes to Financial Statements.

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

STATEMENT OF ACTIVITIES
For the Year Ending September 30, 2017

		Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE:				
Public support –				
Annual giving		$ 52,738	$ 800	$ 53,538
Grants and donations		37,233	15,980	53,213
United Way allocations		71,738	-	71,738
Total public support		$ 161,709	$ 16,780	$ 178,489
Program revenue –				
Cookie sales:				
Gross revenue	$ 3,456,537			
Direct costs	1,096,659	$ 2,359,878	$ -	$2,359,878
QSP sales:				
Gross revenue	$ 105,212			
Direct costs	49,702	55,510	-	55,510
Sales of supplies:				
Gross revenue	$ 196,613			
Direct costs	116,928	79,685	-	79,685
Program service fees:				
Day camp and other program fees		66,272	-	66,272
Total program revenues		$ 2,561,345	$ -	$2,561,345
Other revenue (expenses), gains and (losses):				
Gain on disposal of fixed assets		$ 63,506	$ -	$ 63,506
Net investment income		115,812	4,916	120,728
Other miscellaneous revenue		18,055	-	18,055
Total other revenue		$ 197,373	$ 4,916	$ 202,289
Net assets released from restrictions		$ 9,620	$ (9,620)	$ -
TOTAL PUBLIC SUPPORT AND REVENUE		$ 2,930,047	$ 12,076	$2,942,123
EXPENSES:				
Program services		$ 2,486,749	$ -	$2,486,749
Supporting services –				
Management and general		397,594	-	397,594
Fundraising		199,971	-	199,971
Total expenses		$ 3,084,314	$ -	$3,084,314
Changes in net assets		$ (154,267)	$ 12,076	$ (142,191)
Net assets at beginning of year		4,415,145	65,552	4,480,697
Net assets at end of year		$ 4,260,878	$ 77,628	$4,338,506

See Notes to Financial Statements.

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

STATEMENT OF ACTIVITIES
For the Year Ending September 30, 2016

		Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE:				
Public support –				
Annual giving		$ 20,154	$ 1,600	$ 21,754
Grants and donations		26,972	25,875	52,847
United Way allocations		96,042	-	96,042
Total public support		$ 143,168	$ 27,475	$ 170,643
Program revenue –				
Cookie sales:				
Gross revenue	$ 3,349,367			
Direct costs	930,070	$ 2,419,297	$ -	$2,419,297
QSP sales:				
Gross revenue	$ 131,175			
Direct costs	64,383	66,792	-	66,792
Sales of supplies:				
Gross revenue	$ 224,257			
Direct costs	169,322	54,935	-	54,935
Program service fees:				
Day camp and other program fees		80,582	-	80,582
Total program revenues		$ 2,621,606	$ -	$2,621,606
Other revenue (expenses), gains and (losses):				
Net investment income		$ 67,405	$ 2,580	$ 69,985
Other miscellaneous revenue (expenses)		13,461	-	13,461
Total other revenue		$ 80,866	$ 2,580	$ 83,446
Net assets released from restrictions		$ 10,497	$ (10,497)	$ -
TOTAL PUBLIC SUPPORT AND REVENUE		$ 2,856,137	$ 19,558	$2,875,695
EXPENSES:				
Program services		$ 2,571,583	$ -	$2,571,583
Supporting services –				
Management and general		454,623	-	454,623
Fundraising		237,753	-	237,753
Total expenses		$ 3,263,959	$ -	$3,263,959
Changes in net assets		$ (407,822)	$ 19,558	$ (388,264)
Net assets at beginning of year		4,822,967	45,994	4,868,961
Net assets at end of year		$ 4,415,145	$ 65,552	$4,480,697

See Notes to Financial Statements.

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

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending September 30, 2017

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$1,028,305	$ 232,952	$ 108,805	$1,370,062
Staff health and retirement benefits	269,333	61,015	28,498	358,846
Payroll taxes	79,044	17,907	8,364	105,315
Total salaries and benefits	$1,376,682	$ 311,874	$ 145,667	$1,834,223
Office expense	$ 21,961	$ 16,071	$ 3,136	$ 41,168
Bad debts	-	35,280	-	35,280
Professional fees	10,022	32,455	-	42,477
Telephone	2,731	96,014	-	98,745
Janitorial	-	6,200	-	6,200
Postage	2,383	7,383	-	9,766
Utilities	24,966	10,199	-	35,165
Incentives	226,936	-	-	226,936
Insurance	2,450	52,473	-	54,923
Interest expense	7,271	575	-	7,846
Printing	16,721	227	-	16,948
Travel	118,174	22,638	7,777	148,589
Repairs and maintenance	108,722	23,734	-	132,456
Rental fees	895	55,528	-	56,423
Small equipment rentals and purchases	13,652	32,200	-	45,852
Dues and subscriptions	-	2,657	3,755	6,412
Conferences and training	-	13,778	-	13,778
Specific assistance	87,798	-	-	87,798
Depreciation	-	83,850	-	83,850
Direct program expenses	84,690	-	-	84,690
Indirect expense allocation	368,657	(407,665)	39,008	-
Council meetings	1,999	2,123	360	4,482
Workers' compensation	9,042	-	-	9,042
Other	997	-	268	1,265
Total operating expenses	$1,110,067	$ 85,720	$ 54,304	$1,250,091
Total expenses	$2,486,749	$ 397,594	$ 199,971	$3,084,314
Percentage of expenses by function to total expenses	80.6%	12.9%	6.5%	100.0%

See Notes to Financial Statements.

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

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending September 30, 2016

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries	$1,208,140	$ 280,373	$ 139,742	$1,628,255
Staff health and retirement benefits	288,394	66,927	33,358	388,679
Payroll taxes	92,788	21,533	10,733	125,054
Total salaries and benefits	$1,589,322	$ 368,833	$ 183,833	$2,141,988
Office expense	$ 25,707	$ 14,672	$ 428	$ 40,807
Bad debts	-	1,130	-	1,130
Professional fees	6,860	54,150	-	61,010
Telephone	2,447	82,659	-	85,106
Janitorial	-	7,020	-	7,020
Postage	58	19,812	-	19,870
Utilities	19,238	21,906	-	41,144
Incentives	213,856	-	-	213,856
Insurance	163	46,704	-	46,867
Interest expense	7,962	-	-	7,962
Printing	13,045	4,192	-	17,237
Travel	110,205	22,745	8,855	141,805
Repairs and maintenance	59,321	38,149	-	97,470
Rental fees	16,075	27,573	-	43,648
Small equipment rentals and purchases	1,621	44,657	-	46,278
Dues and subscriptions	-	3,055	875	3,930
Conferences and training	476	31,787	-	32,263
Specific assistance	25,212	-	-	25,212
Depreciation	-	73,909	-	73,909
Direct program expenses	88,847	-	-	88,847
Indirect expense allocation	369,618	(412,371)	42,753	-
Council meetings	4,675	4,041	926	9,642
Workers' compensation	6,968	-	-	6,968
Other	9,907	-	83	9,990
Total operating expenses	$ 982,261	$ 85,790	$ 53,920	$1,121,971
Total expenses	$2,571,583	$ 454,623	$ 237,753	$3,263,959
Percentage of expenses by function to total expenses	78.8%	13.9%	7.3%	100.0%

See Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	$ (142,191)	$ (388,264)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation expense	83,850	73,909
Bad debt expense	35,280	1,130
Net realized and unrealized gains on investments	(73,503)	(35,370)
Gain on disposal of fixed assets	(63,506)	-
Decrease (increase) in assets –		
Other receivables	(36,340)	2,383
Inventory	56,150	35,479
Prepaid expenses	(1,987)	(11,009)
Increase (decrease) in liabilities –		
Accounts payable	(1,055)	(11,788)
Accrued expenses	40,462	(2,101)
Deferred support	(6,505)	(4,425)
Custodial funds	1,829	(1,842)
Net cash used in operating activities	$ (107,516)	$ (341,898)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	$ (174,030)	$ (130,977)
Purchase of investments	(1,471,849)	(2,283,816)
Proceeds from the sale of fixed assets	93,138	-
Proceeds from sale of investments	1,764,000	2,627,652
Net cash provided by investing activities	$ 211,259	$ 212,859
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on debt	$ (15,125)	$ (13,242)
Net increase (decrease) in cash and cash equivalents	$ 88,618	$ (142,281)
Cash and cash equivalents at beginning of year	1,237,635	1,379,916
Cash and cash equivalents at end of year	$1,326,253	$1,237,635
SUPPLEMENTAL INFORMATION		
Interest paid	$ 7,846	$ 7,962
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE BALANCE SHEETS		
Cash and cash equivalents – current	$1,316,410	$1,227,793
Cash and cash equivalents – restricted	9,843	9,842
	$1,326,253	$1,237,635

See 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 three classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Council, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Council's unspent contributions are reported in this class if the donor limited their use, as are promised contributions that are not yet due.

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 temporarily restricted to unrestricted net assets.

Permanently restricted net assets are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion, if any, of the Council's donor-restricted endowment funds that the Council is committed to maintaining in perpetuity are classified in this net asset class.

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 from troops 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, 2017 and 2016 an allowance of $30,000 and $-0- was recognized in the financial statements respectively. Uncollected receivables are charged off against the allowance when no longer deemed collectible.

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:

	Years
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.

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, 2017 and 2016 were $9,091 and $21,764, 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, 2017 and 2016 consisted of the following:

	2017	2016
Mutual funds	$ 661,898	$ 567,287
Exchange traded funds	46,175	40,925
Certificates of deposit	1,442,134	1,765,557
Investments – unrestricted	$2,150,207	$2,373,769
Mutual funds – restricted	36,481	31,567
Total investments	$2,186,688	$2,405,336

Total investment return during the years ending September 30, 2017 and 2016 amounted to a net gain of $120,728 and $69,985, respectively. These amounts were comprised of $47,225 and $34,615 in interest and dividends in 2017 and 2016, respectively, and net gains both realized and unrealized in the fair value of investments of $73,503 in 2017 and $35,370 in 2016. The carrying amount of investments pledged as collateral against notes payable amounted to $725,967.

Note 3. Inventory

Inventory as of September 30, 2017 and 2016 consisted of the following:

	2017	2016
Badges, patches, pins, booklets, and uniforms	$ 169,819	$ 225,969

Note 4. Property, Plant, and Equipment

Property, plant, and equipment as of September 30, 2017 and 2016 consisted of the following:

	2017	2016
Land and improvements	$ 132,329	$ 149,751
Buildings and improvements	1,626,379	1,673,382
Furniture and equipment	595,194	597,910
Camp sewer treatment plant	320,918	320,918
Construction in progress	27,225	-
	$ 2,702,045	$ 2,741,961
Less: accumulated depreciation	(1,709,820)	(1,810,284)
	$ 992,225	$ 931,677

The council entered into a contract on May 19, 2017 for the demolition and reconstruction of the Camp Bon Temp bath houses. The total amount of the contract is $83,500. During the year construction in progress on this contract amounted to $20,875. As of September 30, 2017, $62,625 of the contract remains.

Note 5. Pension Expense

The council participates in the National Girl Scout Council Retirement Plan (NGSCRP), 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, 2017. 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 NGSCRP the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCRP has elected to adopt this relief and not be subject to PPA. Aggregate annual contributions made in fiscal years 2016 and 2017 were $34.3 million and $33.1 million, respectively. The aggregate annual contributions decreased from 2016 to 2017 due to the reduction in the Plan's total annual aggregate contributions from $34.3 million to $32.5 million effective May 1, 2017. Aggregate contributions made in fiscal 2018 are expected to continue to be $32.5 million.

The Council's contributions made in fiscal years 2017 and 2016 are $207,154 and $206,595, respectively.

Note 6. Concentration of Credit Risk and Revenue Concentration

Substantially, all of the Council's revenue is derived from donations and events in northern and southwestern Louisiana. Allocations from local United Way agencies provided approximately 2% and 3% of total public support and revenue during the years ending September 30, 2017 and 2016, respectively.

The Council's major program event is its annual cookie sale. This event accounted for approximately 80% and 84%of total public support and revenue during the years ending September 30, 2017 and 2016, 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 entered into a three year lease for office space in Lake Charles in May 2011. Terms of this lease called for monthly payments of $600 through April 30, 2014, with an option to renew for a period of three more years at the same terms and conditions, except that the monthly rental payment shall be renegotiated. In June 2016, the Council vacated this office due to condition of the premises and negotiated a lease at a new location. This lease has a lease term of 12 months beginning June 1, 2016 and ending May 31, 2017. Monthly rental payments are to be prorated to $600 for the month of June 2016 and thereafter $1,220 per month. As of June 1, 2017 the rental agreement is based on a month to month basis. Total rental expense associated with these leases contained in the financial statements was $12,200 and $9,255 in 2017 and 2016, 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 shall be payable in advance on the first day of each month during the term of the lease. Rental expense associated with this lease was $3,000 and $0 in 2017 and 2016, respectively.

The Council entered into a one year lease for office space in Monroe in August 2015. Terms of this lease called for monthly payments of $992 per month through July 31, 2016. Rent is payable on the first day of each month during the term of the lease. As of September 1, 2016 the rental agreement is based on a month to month basis. Total rental expense associated with this lease contained in the financial statements is $11,904 in 2017 and 2016, respectively.

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

2018	$ 3,000
2019	$ 3,000

Note 8. Note Payable

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

	2017	2016
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 10, 2025, interest rate of 4.5% secured by assignment of brokerage investment account with a carrying value of $725,967 and $655,351 at 2017 and 2016, respectively.	$ 151,163	$ 166,288

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

2018	$ 15,920
2019	16,652
2020	17,417
2021	18,217
2022 and thereafter	82,957
	$ 151,163

Note 9. Net Assets

Net assets consisted of the following as of September 30:

	2017	2016
Temporarily restricted:		
Donor restricted	$ 77,628	$ 65,552
Unrestricted:		
Property, plant, and equipment	$ 992,225	$ 931,677
Designated – Elsie Webb	810,893	773,647
Designated – Camp Improvements	330,403	485,491
Undesignated	2,127,357	2,224,330
	$4,260,878	$4,415,145

Net assets released from restrictions during the years ending September 30, 2017 and 2016 were as follows:

	2017	2016
Time and purpose restrictions satisfied	$ 9,620	$ 10,497

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.

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:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of September 30, 2017				
Unrestricted:				
Certificates of deposit	$1,442,134	$ -	$ -	$ 1,442,134
Mutual funds	661,898	661,898	-	-
Exchange traded funds	46,175	46,175	-	-
	$2,150,207	$ 708,073	$ -	$ 1,442,134
Restricted:				
Mutual funds	36,481	36,481	-	-
Total	$2,186,688	$ 744,554	$ -	$ 1,442,134

	Fair Value	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)
As of September 30, 2016				
Unrestricted:				
Certificates of deposit	$1,765,557	$ -	$ -	$ 1,765,557
Mutual funds	567,287	567,287	-	-
Exchange traded funds	40,925	40,925	-	-
	$2,373,769	$ 608,212	$ -	$ 1,765,557
Restricted:				
Mutual funds	31,567	31,567	-	-
Total	$2,405,336	$ 639,779	$ -	$ 1,765,557

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) 2017	2016
Beginning balance	$ 1,765,557	$ 2,122,094
Purchases	1,440,000	2,004,000
Redemptions	(1,764,000)	(2,360,756)
Gains and (losses)	577	219
Ending balance	$ 1,442,134	$ 1,765,557

Note 11. Governmental Funding

The Council received during the years ending September 30, 2017 and 2016 local governmental funding for various initiatives and programs amounted to $10,920 and $10,000, 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 GAAP, net assets associated with this endowment fund is classified and reported based on the existence of the donor-imposed restrictions and is considered to be temporarily restricted.

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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets 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, 2017 and 2016:

	September 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor – restricted endowment funds	$ -	$ 46,325	$ -	$46,325

	September 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor – restricted endowment funds	$ -	$ 41,409	$ -	$41,409

The following is the recap of changes in endowment balances as of September 30, 2017 and 2016.

	September 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 41,409	$ -	$41,409
Investment return:				
Net appreciation (realized and unrealized)	-	4,916	-	4,916
Endowment net assets, end of year	$ -	$ 46,325	$ -	$46,325

	September 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 38,829	$ -	$38,829
Investment return:				
Net appreciation (realized and unrealized)	-	2,580	-	2,580
Endowment net assets, end of year	$ -	$ 41,409	$ -	$41,409

Funds With Deficiencies

If the fair value of assets associated with individual donor-restricted endowment funds fall below the level that the donor requires the Council to retain as a fund of perpetual duration, it is reported as an offset against temporarily restricted net assets. As of September 30, 2017 and 2016, no deficiencies existed.

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

Note 13. Subsequent Events

The Council evaluated the need for disclosures and/or adjustments resulting from subsequent events through January 24, 2018, 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, 2017

Agency Head: Rachel Broussard

There were no compensation, benefits and other payments paid in fiscal year ended September 30, 2017 from public funds.

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

SCHEDULES OF COOKIE REVENUE AND EXPENSE
Years Ended September 30, 2017 and 2016

	2017	2016
Cookie sales revenue	$ 3,894,864	$ 3,792,006
Allocations to troops	(438,327)	(442,639)
Cookie revenue net of troop allocations	$ 3,456,537	$ 3,349,367
Cost of cookie sales	(1,096,659)	(930,070)
Gross profit	$ 2,359,878	$ 2,419,297
Sales price per standard box	$ 4.00	$ 4.00
Sales price per specialty box	$ 5.00	$ 5.00

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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, 2017 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 24, 2018.

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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency listed as 2017-01.

4112 West Congress Street | P.O. Box 61400 | Lafayette, LA 70596-1400 | 337.988.4930 | 146 West Main Street | New Iberia, LA 70560 | 337.364.4554 | 103 North Avenue F | Crowley, LA 70526 | 337.783.5693

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.*

The Council's Response to Finding

The Council's response to the finding 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.

Broussard Poche LLP

Lafayette, Louisiana
January 24, 2018

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

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2017

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, 2017, and have issued our report thereon dated January 24, 2018. 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, 2017 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 _X_ None Reported
Control deficiencies identified that are not considered to be material weaknesses _X_ Yes ___ None Reported

Compliance
Compliance Material to Financial Statements ___ Yes _X_ No

Section II - Financial Statement Findings

2017-01 – Transaction miscodings related to restricted and designated funds

Condition: A significant number of transactions were miscoded to restricted or designated activities during the year which required reclassification as unrestricted or undesignated expense or revenue. The Council utilizes fund and source codes to track receipts and expenditures of restricted or designated funds, however these were not properly used.

Criteria: In order to effectively track these revenues and expenses fund and source codes should be properly used throughout the year.

Cause: Recent turnover in employees has resulted in a general lack of understanding of what constitutes a restricted or designated transaction and when these transactions should be tracked.

Effect: Unable to determine at a particular point in time the remaining balance of any particular restricted or designated fund. Unable to accurately track these funds without significant additional work.

Recommendation: The Council should educate employees when funds are considered restricted or designated and the proper way to code the transaction for entry into the system. The Council should also implement a means of monitoring the activity of these funds as part of the monthly close process and reconcile the restricted or designated net asset balance to support.

Section II - Financial Statement Findings – (continued)

Response: The Chief Financial Officer will work to educate staff on difference between restricted and designated transactions and how each should be coded. A spreadsheet has been created for departments involved to track the related income and expenses. The CFO will meet monthly with these department heads to cross check their spreadsheet information to what has been posted to the accounting system. Temporarily restricted accounts will be reviewed on a monthly basis by the accounting department to check for coding accuracy.

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, 2017

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

#2016-01 Controls Over Financial Reporting

Recommendation: The Council should ensure that timely closing processes and procedures are established and performed at the end of each period to ensure accuracy of financial statements. It is recommended that this process be formalized and documented.

Current Status: RESOLVED. New CFO has set up and documented a formalized set of procedures for the financial close process which has begun to rectify this problem going forward. These new financial close procedures include monthly reconciliations of all balance sheet accounts and an analytical review of income and expense accounts.

Section II. Internal Control and Compliance Material to Federal Awards

None.

Section III. Management Letter

None.