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Board of Directors, Audit Committee and Management
Girl Scouts of Western Ohio
Cincinnati, Ohio

As part of our audit of the financial statements of Girl Scouts of Western Ohio as of and for the year ended December 31, 2012 we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Council's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for doubtful accounts
- Assigned lives of depreciable assets
- Functional expense allocations
- Beneficial interests in perpetual and remainder trusts

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Assets held for sale

Audit Adjustments

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

Auditor's Judgments About the Quality of the Entity's Accounting Principles

No matters are reportable.

Other Material Written Communications

Listed below are other material written communications between management and us related to the audit:

- Management representation letter (attached)

OTHER MATTERS

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements if you require.

Fraud Hotline Implementation

In its "2012 Report to the Nation on Occupational Fraud and Abuse," the Association of Certified Fraud Examiners estimates that 5% of revenue is lost to fraud and abuse. One of the most cost-effective strategies in combating fraud is the implementation of a third-party hotline. We recommend that management consider implementing a third-party hotline this year.

Independent studies have shown that a significant amount of fraudulent activity is discovered by way of anonymous tips; the third-party hotlines can play a key role in the facilitation of this important information. In our own experience, we also have found that third-party hotlines can be an important strategy in accelerating the discovery of inappropriate activity in the organization and thereby reducing losses relating to such activity.

In addition, the implementation of such a hotline can add to the overall control environment and "tone at the top" of the company and thereby serve as an important deterrent to fraud within the organization.

Affordable Care Act

The effects of the Affordable Care Act (the Act) are far-reaching and complex and will have an impact on substantially all employers. The bulk of the provisions will phase in by January 2014, with the remaining major provisions phased in by 2018. The biggest provision affecting employers is the Employer Shared Responsibility payment or the "pay or play" rules. Beginning in 2014, a large employer (generally employers with 50 or more full-time equivalent employees) that does not offer qualifying health insurance coverage as required under the Act, will be required to pay a penalty if any full-time employee certifies to the employer as having purchased health insurance through a state exchange and a tax credit or cost-sharing reduction is allowed or paid to the employee. To make sure you are in compliance with the Act, we suggest you work with your insurance advisor, attorney and BKD to:

- Determine what your health insurance compliance requirements are under the Act
- Review the regulations of the Act and compare the requirements to your current health insurance plan
- Consider new benchmarks for health insurance in your industry
- Determine what the acceptable level of health insurance coverage is for your employees
- Determine what the required employer contributions will be
- Determine what options are available under the Act and which is best for your business model
- Analyze financial implications of the Act to your financial statements
- Perform cost projections to evaluate costs and benefits of continuing to sponsor the plan or terminating it
- Develop a multiyear strategy for plan design and employer and employee contributions
- Develop an implementation plan and monitoring procedures

While these provisions do not take effect until 2014, the evaluation should start now to determine the best options for the Council and what the reporting requirements to comply with the Act will be.

Potential Changes to the Method of Accounting for Leases under U.S. Generally Accepted Accounting Principles (U.S. GAAP)

Lease accounting has been a renewed subject of deliberation since the U.S. Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) proposed major changes in late 2010. The boards now plan to release an updated joint exposure draft in the 2nd quarter of 2013, with a goal of finalizing guidance in 2013 and an expected effective date of 2015 or later.

Under the proposed guidance, essentially all leases over one year in duration would result in recording a lease asset and liability. This treatment differs from current U.S. GAAP, which separates leases into capital and operating leases. Short-term (less than one year) leases would retain current "operating lease" accounting with additional disclosures. Some leases would require accelerated lease expense recognition on an interest method basis, while others would retain a straight-line pattern of recognition.

The primary determining factor on lease expense recognition is expected to be whether the lease (right-of-use) asset represents an acquisition of more than insignificant portion of the economic life of the leased asset:

- Leases that reflect a financing (more than an insignificant portion of the underlying asset) will result in accelerated lease expense based on the amortization of a right-of-use asset and interest expense on the lease liability.

- Leases that reflect a pay-to-use arrangement (an insignificant portion of the underlying asset, such as many real estate leases) will result in straight-line expense over the life of the lease, similar to current "operating leases.

- Lease terms will include the noncancellable period together with options when there is a significant economic incentive associated with those options.

When adopted, this new approach will require more monitoring and record keeping. Companies should evaluate the potential impacts on the financial statements, particularly with regard to financial ratios, results and related matters. These changes may have unexpected impacts on debt covenants or other contracts with lenders, vendors, employees, regulators, etc., that may require revision to maintain the original intent.

Note that all information above remains subject to additional clarification and/or modification up to the point that a final standard is issued.

This communication is intended solely for the information and use of management, Board of Directors, Audit Committee and others within the Council and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

April 9, 2013

Chair
Jody L. Wainscott

Chief Executive Officer
Roni J. Luckenbill

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April 9, 2013

BKD, LLP
Certified Public Accountants
312 Walnut Street, Suite 3000
Cincinnati, Ohio 45202

We are providing this letter in connection with your audits of our financial statements as of and for the years ended December 31, 2012 and 2011. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated November 12, 2012, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility 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.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

5. We have provided you with:

   (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.

   (b) Additional information that you have requested from us for the purpose of the audit.

   (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   (d) All minutes of directors' meetings held through the date of this letter.

   (e) All significant contracts and grants.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. We have informed you of all current risks of a material amount that are not adequately prevented or detected by Council procedures with respect to:

   (a) Misappropriation of assets.
   (b) Misrepresented or misstated assets, liabilities or net assets.

8. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

9. We understand the potential penalties for failure to disclose reportable tax transactions to the taxing authorities and have fully disclosed to BKD any and all known reportable tax transactions.

10. We have no knowledge of any known or suspected:

    (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
    (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.

11. We have no knowledge of any allegations of fraud or suspected fraud affecting the Council received in communications from employees, customers, regulators, suppliers or others.

12. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, subsidiaries accounted for by the equity method; and any other party with which the Council may deal if the Council can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the Council.

13. Except as reflected in the financial statements, there are no:

    (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.

    (b) Material transactions omitted or improperly recorded in the financial records.

    (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    (d) Events occurring subsequent to the balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.

    (e) Agreements to purchase assets previously sold.

    (f) Restrictions on cash balances or compensating balance agreements.

    (g) Guarantees, whether written or oral, under which the Council is contingently liable.

14. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

15. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

16. Adequate provisions and allowances have been accrued for any material losses from:

    (a) Uncollectible receivables, including pledges.

    (b) Reducing obsolete or excess inventories to estimated net realizable value.

17. Except as disclosed in the financial statements, the Council has:

    (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.

    (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

18. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.

19. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

20. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.

21. We have no board-designated endowment funds at December 31, 2012 or 2011.

22. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

23. With respect to any nonattest services you have provided us during the year, including the preparation of the financial statements and related notes:

    (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.

    (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    (d) We have evaluated the adequacy of the services performed and any findings that resulted.

24. We are an organization exempt from income tax under Section 501(c) of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.

25. We have identified to you any activities conducted having both fund raising and program or management and general components (joint activities) and have allocated the costs of any joint activities in accordance with the provisions of FASB ASC 958-720-45.

Roni J. Luckenbill, Chief Executive Officer

Linda J. Odenbeck, Finance Director

Girl Scouts of Western Ohio
ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	34,178,399		34,178,399	
Total Liabilities	(347,376)		(347,376)	
Net Assets	(33,831,023)		(33,831,023)	

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Revenues & Income	(11,819,859)	41,810	(11,778,049)	-0.35%
Costs & Expenses	11,638,594		11,638,594	
Net Income	(181,265)	41,810	(139,455)	-23.07%

Client: Girl Scouts of Western Ohio

Period Ending: December 31, 2012

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), or Projected (P)	Assets DR (CR)	Liabilities DR (CR)	(X) Non Tax	Revenues & Income DR (CR)	Costs & Expenses DR (CR)	Net Assets (Beg. of year) DR (CR)	Net Effect on Following Year: Net Income DR (CR)	Net Effect on Following Year: Net Assets DR (CR)
2011 - To record accrued interest on investments		F				41,810		(41,810)		
	Net assets							(41,810)		
	Interest income					41,810				
Taxable passed adjustments						41,810		(41,810)		
Times (1 - estimated tax rate of 00%)						100%	100%	100%		
Taxable passed adjustments net of tax impact						41,810		(41,810)		
Nontaxable passed adjustments										
Total passed adjustments, net of tax impact (if any)						41,810		(41,810)		
						Impact on Net Income		**41,810**		
						Impact on Net Assets				