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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, 2013, 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 area involves 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

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

- Attached is a summary of proposed adjustments not recorded which 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)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of Girl Scouts of Western Ohio as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Council's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified

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 of the Council's financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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 Council's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or 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.

We observed the following matters that we consider to be deficiencies.

Deficiencies

Review of Vendor Listings

We noted there is no formal review or monitoring of changes made to the master vendor listing. This could create the opportunity for inappropriate additions or manipulation of vendor information within the system. We suggest the master vendor listing be reviewed on a periodic basis for consistency of payee information to ensure all changes are appropriate.

Evaluation of Lease Classification

We noted new leases are not consistently evaluated for proper classification between operating and capital lease accounting treatment. As a result, two leases initially accounted for as operating leases by management were determine to be capital leases. This resulted in a proposed audit adjustment which was subsequently determined to be immaterial by management. We suggest evaluating all leases prior to execution for proper lease classification.

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.

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

The FASB and IASB (Boards) are set to begin redeliberations in the first quarter of 2014 on significant issues raised on the revised lease exposure draft issued in May 2013. The proposed standard requires all leases, other than short-term leases, to be recognized on the balance sheet and includes a "dual model" income and expense recognition approach which will depend on lease classification. Lessees and lessors would use similar criteria, based on the nature of the underlying asset, to classify leases as one of two types. Some leases would result in straight-line expense recognition, while others would result in accelerated expense recognition. Determining which approach to apply will depend on the level of consumption of the underlying asset during the lease period. As a practical expedient, a presumption can be made that leases of property, *i.e.*, land or building, should result in a straight-line recognition pattern and leases of non-property, *e.g.*, equipment and vehicles, should result in a front-loaded (accelerated) recognition pattern.

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.

The Boards have not yet established an expected effective date for the final standard, but it will likely be no sooner than three years after issuance. The final standard would be required to be applied to all leases outstanding as of the beginning of the earliest comparative period presented with the option of applying a full retrospective or modified retrospective approach.

As a reminder, until a final standard is issued, any positions contained within the exposure draft are still susceptible to change.

Potential Changes to Not-for-Profit Financial Reporting

The Financial Accounting Standards Board's (FASB) Not-for-Profit Advisory Committee (NAC) was established to develop recommendations for improving the financial reporting of not-for-profit organizations. Recent FASB activity in response to the NAC's recommendations could significantly impact NFP financial reporting. Tentative decisions by the FASB board, described below, will serve as basis for an exposure draft expected to be issued during the first half of 2014.

Changes to Net Asset Classification – FASB tentatively decided to replace the three existing net asset classes with two classes of net assets: net assets with and without donor-imposed restrictions. FASB also decided to remove the hard-line distinction between temporary and permanent restrictions.

Operating Measure – FASB tentatively decided to define an intermediate operating measure on the basis of a mission dimension and an availability dimension. FASB decided to support an alternative for presenting an intermediate operating measure that would present all legally available mission related revenues before reductions for amounts designated by the governing board for use in future periods, rather than only the net of those amounts. That presentation also would include amounts of previously unavailable resources that the governing board made available for use in the current period.

Reporting Cash Flows – FASB tentatively decided to require the direct method of reporting cash flows. FASB also discussed rearranging various components of the cash flow statement to better align them with the tentative decision for an intermediate measure of operations.

We will continue to keep the Council apprised of the FASB's activities related to this issue.

* * *

This communication is intended solely for the information and use of management, the 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 16, 2014

girl scouts
of western ohio

April 16, 2014

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Certified Public Accountants
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We are providing this letter in connection with your audits of our financial statements as of and for the years ended December 31, 2013 and 2012. 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 7, 2013, 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, 2013 or 2012.

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 Adjustments Passed" reflects the effects on the financial statements if the passed adjustments identified were posted to the general ledger.

QUANTITATIVE ANALYSIS

	Before Passed Adj.	Passed Adj.	Subsequent to Passed Adj.	% Change
Total Assets	35,293,859	138,565	35,432,424	0.39%
Total Liabilities	(278,836)	(138,565)	(417,401)	49.69%
Net assets	(35,015,023)	0	(35,015,023)	0.00%
Total Equity	(35,015,023)	0	(35,015,023)	0.00%
Revenues & Income	(19,458,820)	0	(19,458,820)	0.00%
Costs & Expenses	18,274,820	0	18,274,820	0.00%
Change in Net Assets	(1,184,000)	0	(1,184,000)	0.00%

Client: Girl Scouts of Western Ohio
Period Ending: December 31, 2013

Schedule of Adjustments Passed

Description	Location or Business Unit	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: Change in Net Assets DR (CR)	Net Effect on Following Year: Net assets DR (CR)
To record the postage meter lease as capital lease, rather than operating lease.			F	53,722	(53,722)	x	0	0	0	0	0
		Property and equipment		53,722							
		Capital Lease Obligation			(53,722)						
To record the copier lease as capital, rather than operating lease			F	84,843	(84,843)		0	0	0	0	0
		Property and equipment		84,843							
		Capital Lease Obligation			(84,843)						
				0	0		0	0	0	0	0
				0	0		0	0	0	0	0
		Taxable passed adjustments					0	0	0	0	0
		Times (1 - effective tax rate of 00%)					100%	100%	100%		
		Taxable passed adjustments net of tax impact			0		0	0	0		
		Nontaxable passed adjustments		138,565	(138,565)		0	0	0		
		Total passed adjustments, net of tax impact (if any)		138,565	(138,565)		0	0	0		

Impact on Change in Net Assets	**0**
Impact on Net assets	**0**