

**GREATER NEW YORK
COUNCILS,
BOY SCOUTS OF AMERICA**

**Financial Statements
for the year ended
December 31, 2022
(with summarized comparative
information for the year ended
December 31, 2021)**

Independent Auditor's Report

To the Board of Directors of the
Greater New York Councils,
Boy Scouts of America

Opinion

We have audited the accompanying financial statements of the Greater New York Councils, Boy Scouts of America (the "Council") which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council as of December 31, 2022 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Council has changed its method of accounting for operating leases as of January 1, 2022 due to the adoption of ASU 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Council's 2021 financial statements, and our report dated May 16, 2022, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Meara McBurt & Donnelly LLP

June 19, 2023

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Statement of Financial Position
December 31, 2022**

Assets

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Cash and cash equivalents	\$ 893,113	\$ 347,464	\$ 323,039	\$ 678,396	\$ 322,034	\$ 284,768	\$ 1,538,186	\$ 1,310,628
Accounts receivable	14,747	129,324	-	-	-	-	14,747	129,324
Contributions receivable, net	551,577	460,537	71,551	271,851	223,935	314,739	847,063	1,047,127
Inventories, at cost	236,144	195,749	-	-	-	-	236,144	195,749
Interfund balances	-	1,662,451	-	(1,662,451)	-	-	-	-
Deferred charges and other assets	365,686	153,206	-	162,550	-	-	365,686	315,756
Investments, at fair value	-	-	3,053,083	3,871,297	8,720,518	11,080,586	11,773,601	14,951,883
Beneficial interests in charitable remainder and perpetual trusts, at fair value	-	-	-	-	941,568	1,184,472	941,568	1,184,472
Land and assets held for sale	-	-	60,000	60,000	-	-	60,000	60,000
Fixed assets, at cost, less accumulated depreciation and amortization	-	-	4,756,615	5,080,314	-	-	4,756,615	5,080,314
Right-of-use assets – operating lease	-	-	47,624	-	-	-	406,005	-
Total assets	\$ 2,419,648	\$ 2,948,731	\$ 8,311,912	\$ 8,461,957	\$ 10,208,055	\$ 12,864,565	\$ 20,939,615	\$ 24,275,253

Liabilities and Net Assets (Deficit)

Line of credit	\$ 1,900,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000	\$ 500,000
Accounts payable	338,901	207,610	5,975	3,465	-	-	344,876	211,075
Accrued expenses	182,810	9,137,848	5,548	37,137	-	-	188,358	9,174,985
Custodial accounts	424,232	149,703	-	-	-	-	424,232	149,703
Deferred camp revenue	109,274	93,926	-	-	-	-	109,274	93,926
Deferred other revenue	57,100	71,267	-	-	-	-	57,100	71,267
Finance lease and vehicles obligations	-	-	-	6,542	-	-	-	6,542
Operating lease obligations	358,381	-	47,624	-	-	-	406,005	-
Note payable	1,310,000	230,000	-	-	-	-	1,310,000	230,000
Total liabilities	4,680,698	10,390,354	59,147	47,144	-	-	4,739,845	10,437,498
Net assets (deficit)	(2,386,050)	(7,591,623)	7,158,823	6,819,234	918,225	3,356,614	5,690,998	2,584,225
Without donor restrictions	125,000	150,000	1,093,942	1,595,579	9,289,830	9,507,951	10,508,772	11,253,530
With donor restrictions	(2,261,050)	(7,441,623)	8,252,765	8,414,813	10,208,055	12,864,565	16,199,770	13,837,755
Total net assets	\$ 2,419,648	\$ 2,948,731	\$ 8,311,912	\$ 8,461,957	\$ 10,208,055	\$ 12,864,565	\$ 20,939,615	\$ 24,275,253

See notes to financial statements.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022

(with Summarized Comparative Information for the Year Ended December 31, 2021)

	2022			2021
	Operating Fund	Capital Fund	Endowment Fund	
Changes in net assets without donor restrictions				
Support and revenue				
Direct support				
Friends of Scouting	\$ 1,375,443	-	-	\$ 1,375,443
Direct mail contributions	35,182	-	-	35,182
Capital campaign	-	20	-	20
Special fundraising events	2,471,773	-	-	2,471,773
Less cost of direct benefits	(475,322)	-	-	(475,322)
Special fundraising events, net	1,996,451	-	-	1,996,451
Legacies and bequests	190,364	-	-	190,364
Foundations, trusts and other	274,200	-	-	274,200
Other direct support – contributed services	427,311	-	81	427,392
Total direct support	4,298,951	20	81	4,299,052
Indirect support				
United Ways	11,917	-	-	11,917
Government grants	241,243	-	-	241,243
Fees from government agencies	95,000	-	-	95,000
Total indirect support	348,160	-	-	348,160
Revenue	387,136	-	-	310,650
Product sales	(249,694)	-	-	(233,684)
Less cost of goods sold	137,442	-	-	76,966
Net product sales	481,931	(454,657)	(2,377,056)	1,279,946
Investment return – net	2,140,085	-	-	2,079,542
Camping revenue – net	132,448	-	-	92,699
Activity revenue	257,087	102,521	-	194,644
Other revenue	-	7,413,110	-	-
Gain on sale of land	25,000	511,662	-	25,000
Net assets released from restrictions	3,173,993	7,572,636	(2,377,056)	3,748,797
Total revenue	7,821,104	7,572,656	(2,376,975)	8,467,176
Total support and revenue	6,895,611	527,363	36,995	5,862,354
Expenses				
Program services	963,936	250,451	16,803	488,315
Supporting services	1,011,440	22,802	7,636	1,115,038
Management and general	1,975,376	273,253	24,439	1,603,353
Fund-raising	8,870,987	600,616	61,434	7,465,706
Total supporting services	73,600	-	-	64,000
Total functional expenses	8,944,587	600,616	61,434	7,529,706
Charter and national service fee				
Total expenses	(1,123,483)	6,772,040	(2,438,409)	937,470
Increase (decrease) in net assets without donor restrictions before contribution to settlement trust	-	(103,375)	-	-
Loss on disposal of fixed assets	-	-	-	-
Provision for contribution to settlement trust	-	-	-	-
Increase (decrease) in net assets without donor restrictions	\$ (1,123,483)	\$ 6,668,665	\$ (2,438,409)	\$ (9,000,000)
				\$ (8,062,530)

See notes to financial statements.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

Statement of Activities and Changes in Net Assets (continued)
Year Ended December 31, 2022
(with Summarized Comparative Information for the Year Ended December 31, 2021)

	2022			2021	
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
Changes in net assets with donor restrictions					
Direct support	\$ -	\$ 10,025	\$ 24,783	\$ 34,808	\$ 290,319
Change in value of charitable remainder and perpetual trusts	-	-	242,904	242,904	129,305
Net assets released from restrictions	<u>(25,000)</u>	<u>(511,662)</u>	<u>-</u>	<u>(336,662)</u>	<u>(25,000)</u>
Increase (decrease) in net assets with donor restrictions	<u>(25,000)</u>	<u>(501,637)</u>	<u>(218,121)</u>	<u>(744,758)</u>	<u>394,624</u>
Increase (decrease) in net assets	<u>(1,148,483)</u>	<u>6,167,028</u>	<u>(2,656,530)</u>	<u>2,362,015</u>	<u>(7,667,906)</u>
Net assets (deficit), beginning of year					
Net assets (deficit) without donor restrictions	(7,591,623)	6,819,234	3,356,614	2,584,225	10,646,755
Net assets with donor restrictions	<u>150,000</u>	<u>1,595,579</u>	<u>9,507,951</u>	<u>11,253,530</u>	<u>10,838,906</u>
Total net assets, beginning of year	<u>(7,441,623)</u>	<u>8,414,813</u>	<u>12,864,565</u>	<u>13,837,755</u>	<u>21,505,661</u>
Interfund transfers – net assets without donor restrictions	<u>6,329,056</u>	<u>(6,329,076)</u>	<u>20</u>	<u>-</u>	<u>-</u>
Net assets (deficit), end of year					
Net assets (deficit) without donor restrictions	(2,386,050)	7,158,823	918,225	5,690,998	2,584,225
Net assets with donor restrictions	<u>125,000</u>	<u>1,093,942</u>	<u>9,289,830</u>	<u>10,508,772</u>	<u>11,253,530</u>
Total net assets (deficit), end of year	<u>\$ (2,261,050)</u>	<u>\$ 8,252,765</u>	<u>\$ 10,208,055</u>	<u>\$ 16,199,770</u>	<u>\$ 13,837,755</u>

See notes to financial statements.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

Statement of Cash Flows

Year Ended December 31, 2022

(with Summarized Comparative Information for the Year Ended December 31, 2021)

	2022			2021		
	Operating Fund	Capital Fund	Endowment Fund	Total	Operating Fund	Total
Cash flows from operating activities						
Increase (decrease) in net assets	\$ 5,180,573	\$ (162,048)	\$(2,656,510)	\$ 2,362,015		\$(7,667,906)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization	-	489,008	-	489,008		479,361
Loss on disposal of assets	-	-	-	-		70,862
(Gain) on sale of land	-	(7,413,110)	-	(7,413,110)		-
Realized and unrealized (gain) loss on investments	-	621,339	2,111,227	2,732,566		(1,183,837)
Permanently restricted contributions	-	-	(24,783)	(24,783)		(7,855)
(Increase) decrease in assets						
Accounts receivable	114,577	-	-	114,577		(4,371)
Contributions receivable	(91,040)	200,300	90,804	200,064		169,302
Inventories	(40,395)	-	-	(40,395)		(11,558)
Deferred charges and other assets	(212,480)	162,550	-	(49,930)		(169,879)
Change in right of use asset	446,004	47,624	-	493,628		-
Increase (decrease) in liabilities						
Accounts payable	131,291	2,510	-	133,801		(321,930)
Accrued expenses	(8,955,038)	(31,589)	-	(8,986,627)		8,967,086
Custodial accounts	274,529	-	-	274,529		(13,894)
Deferred camp revenue	15,348	-	-	15,348		62,751
Deferred other revenue	(14,167)	-	-	(14,167)		43,033
Payments on operating lease obligations	(446,004)	(47,624)	-	(493,628)		-
Net cash provided by (used in) operating activities	<u>(3,596,802)</u>	<u>(6,131,040)</u>	<u>(479,262)</u>	<u>(10,207,104)</u>		<u>411,165</u>
Cash flows from investing activities						
Purchase of fixed assets, net of capital lease and vehicle financing obligations	-	(639,199)	-	(639,199)		-
Proceeds from sale of land	-	7,887,000	-	7,887,000		-
Purchase of investments	-	(516,931)	(1,276,022)	(1,792,953)		(2,397,641)
Proceeds from sale of investments	-	713,806	1,524,863	2,238,669		2,299,824
Net cash provided by (used in) investing activities		<u>7,444,676</u>	<u>248,841</u>	<u>7,693,517</u>		<u>(97,817)</u>
Cash flows from financing activities						
Interfund balances, net of transfers	1,662,451	(1,662,451)	-	-		-
Payments of finance lease and vehicles obligations	-	(6,542)	-	(6,542)		(31,761)
Proceeds from line of credit	1,400,000	-	-	1,400,000		-
Repayment from line of credit	-	-	-	-		(70)
Proceeds from note payable	1,200,000	-	-	1,200,000		-
Repayment of note payable	(120,000)	-	-	(120,000)		(20,000)
Permanently restricted contributions	-	-	24,783	24,783		7,855
Change in value of charitable remainder and perpetual trusts	-	-	242,904	242,904		(129,305)
Net cash provided by (used in) financing activities	<u>4,142,451</u>	<u>(1,668,993)</u>	<u>267,687</u>	<u>2,741,145</u>		<u>(173,281)</u>
Net increase (decrease) in cash and cash equivalents	545,649	(355,357)	37,266	227,558		140,067
Cash and cash equivalents, beginning of year	<u>347,464</u>	<u>678,396</u>	<u>284,768</u>	<u>1,310,628</u>		<u>1,170,561</u>
Cash and cash equivalents, end of year	<u>\$ 893,113</u>	<u>\$ 323,039</u>	<u>\$ 322,034</u>	<u>\$ 1,538,186</u>		<u>\$ 1,310,628</u>
Supplemental disclosure of cash flows information:						
Cash paid for interest				\$ 34,339		\$ 2,902

See notes to financial statements.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements
December 31, 2022**

Note 1 – Organization and nature of business

Nature of organization

The Greater New York Councils, Boy Scouts of America (the “Council”) operates in the five boroughs of New York City and has three camping facilities within its service area. The Council is an independent not-for-profit organization devoted to promoting, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys and girls and young men and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America. In addition to support for organizational and programmatic scouting activities, the National Council of the Boy Scouts of America (the “National Council”) sponsors components of the Council’s employee benefit plans (see notes 13 and 14) and liability insurance programs (see notes 13 and 16) as well as components of the Council’s technology, software and other items. The Council delivered the Scouting program to approximately 8,183 youth members in 2022.

The Scouting program includes the following:

Lion Scouts – A fun introduction to the Scouting program for kindergarten-age youth eager to get going! Lions do adventures with their adult partners and other Lions every month. This program introduces youth and their families to Scouting and the outdoors as it builds a foundation of character. A Lion den is part of the Cub Scout pack.

Tiger Cubs – One year, family-oriented program for a group of teams, each consisting of a first grade (or 7-year old) boy or girl and an adult partner (usually a parent). A Tiger Cub den is part of the Cub Scout pack.

Cub Scouts – Family and community centered approach to learning citizenship, compassion, and courage through service projects, ceremonies, games, and other activities promoting character development and physical fitness.

Scouts BSA – Scouts BSA is a year-round program for youth 11-17 years old that provides fun, adventure, learning, challenge, and responsibility to help them become the best version of themselves.

Venturing – Provides experience to help young men and women, ages 14 (of 13 with completion of eight grade) through 20, become mature, responsible, caring adults. Young people learn leadership skills and participate in challenging outdoor activities, including having access to Scout camping properties, a recognition program, and Youth Protection training.

Exploring – Program to enable young people to become responsible individuals by teaching positive character traits, career development, leadership and life skills so they can make ethical choices and achieve their full potential.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 1 – Organization and nature of business (continued)

Nature of organization (continued)

Families can choose to sign up their sons and daughters who are ages 5-10 as Cub Scouts. Chartered organizations may choose to establish a new girl pack, a pack that consists of girl dens and boy dens, or remain an all-boy pack. Using the same curriculum as the (now former) Boy Scouting program, Scouts BSA launched in February 2019, enabling all eligible youth ages 11-17 to earn the Eagle Scout rank. Scouts BSA is a single gender program – all-girl troops or all-boy troops. This unique approach allows the organization to maintain the integrity of the single-gender model while also meeting the needs of today’s families.

The Council’s website address is www.BSA-GNYC.org.

Note 2 – Summary of significant accounting policies

Fund accounting

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Council are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into fund groups that are in accordance with specific activities and objectives. The accounts of the Council are maintained in three self-balancing fund groups according to their nature and purposes as follows:

- General operating fund – The general operating fund is used to account for the Council’s operating activities.
- Capital fund – The capital fund is used to account for property, buildings, equipment, leasehold improvements and legally restricted cash that is to be expended for property, buildings, and equipment and related debt payments. Also, included in this fund are investments either restricted or designated for capital repair and improvements where the income is either designated or restricted for those particular items. Revenue and expenses related to any capital fundraising campaign are also included in the fund.
- Endowment fund – The endowment fund is normally used to account for amounts of gifts and bequests accepted with legal restrictions based on donor stipulation that the principal be maintained intact in perpetuity, until the occurrence of a specified event or for a specified period, and that investment return thereof be expended either for general purposes or for purposes specified by the donor. Investment funds with or without donor restrictions are also included in the endowment fund. Certain donor-restricted net assets have been restricted by donors to be maintained by the Council in perpetuity. Net assets with perpetual restrictions of the endowment fund include beneficial interests in charitable remainder and perpetual trusts (see note 4).

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2018, the Council adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Council’s liquidity, financial performance, and cash flows.

Cash and cash equivalents

The Council considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Accounts receivable

Accounts receivable are recorded primarily for popcorn (product) sales and are reported at net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance for doubtful accounts was considered necessary as of December 31, 2022 and 2021.

Contributions receivable

Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the Council’s past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Contributions receivable (continued)

Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible contributions is recorded when the Council determines, based on historical experience and collection efforts, that a contribution receivable (carried over from a prior year) is uncollectible. As of December 31, 2022 and 2021, the Council has provided for an allowance for doubtful accounts totaling \$395,000 and \$221,000, respectively.

Investments

Investments with readily determinable fair values are measured at fair value in the statement of financial position. Interest, dividends, realized and unrealized gains and losses on investments, net of fees, are recorded as investment return in the statement of activities and changes in net assets. Realized gains and losses are determined on a specific identification basis. Realized and unrealized gains and losses, interest and dividends on investments are recorded as net assets without donor restrictions unless such amounts are restricted by the donor or by law. Investments received as gifts are recorded at the estimated fair value at the date of the gift. Investments are classified based on their original maturities. Investments with original maturities of less than 12 months are classified as short-term investments.

Inventories

Inventories, which consist primarily of Scouting supplies, are stated at the lower of average cost or net realizable value.

Interfund balances

The interfund balance at December 31, 2021, resulted from the operating fund making advances of surplus cash funds to the capital fund for operating purposes. The Council records interfund balances on a single line in the asset section of the statement of financial position.

Fixed assets and related depreciation

Purchased property and equipment are stated at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals of \$5,000 or more are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the change in net assets.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Depreciation of property and equipment and amortization of leasehold improvements are computed using the straight-line method based on the shorter of the estimated useful lives or lease terms of the assets as follows:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Land improvements	20 years
Buildings and leasehold improvements	5 – 20 years
Furniture, fixtures and equipment	3 – 10 years

Donations of property and equipment are recorded as contributions at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose, based on its fair value. Assets donated with explicit restrictions regarding their use, absent donor stipulations regarding how long those donated assets must be maintained, are recorded as net assets with donor restrictions. The Council reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Council reclassifies net assets with donor restrictions that are temporary in nature to net assets without donor restrictions at that time.

Long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the years ended December 31, 2022 and 2021.

Asset held for sale

In 2015, the Council received a contribution consisting of land in Upstate New York with an estimated fair value of \$200,000. During 2020, the Council reassessed the value of the asset and determined the estimated fair value of the asset to be \$60,000. As a result, during 2020, the Council adjusted the value of the asset and recorded a \$140,000 loss. The Council intends to sell this land as soon as practicable.

Custodial accounts

Custodial accounts represent amounts held by the Council as custodian for registration fees for member units, amounts on deposit for affiliated Scouting associations for their future use and amounts on deposit by member units for purchases of uniforms and supplies.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Revenue recognition

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with *Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended*. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

The Council records the following exchange transaction revenue in its statement of activities and changes in net assets for the years ending December 31, 2022 and 2021:

- Product sales - To help Scout packs and troops raise the money they need to fund programs and activities throughout the year, the Council participates in the Trail's End Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The Scout packs and troops earn a commission of 35% on each sale they make. The popcorn sale also helps the Council raise money in support of its programs. Popcorn sales to Scout units start in the fall of each year, with the units placing their orders online through the Trail's End website. The price the Scout unit pays for the popcorn is established by the Council, and each item is individually priced, so no allocation of the transaction price is required. Many BSA units are allowed to purchase popcorn "on account" with payment due at a later date. Per *FASB ASU 2014-09*, the Council is required to assess the probability of collecting these accounts receivable in order to determine whether there is a substantive transaction between the Council and the unit. In making this collectability assessment, the Council exercises judgment and considers all facts and circumstances, including its knowledge of the customer. The Council uses the Trail's End website to track and manage unit accounts receivable. With popcorn sales, the performance obligation is delivery of the product, which is fulfilled by the Council at predetermined times and locations. Revenue recognition occurs when the product has been delivered. The Council presents in its statement of activities and changes in net assets gross revenues from product sales, cost of goods sold, and unit commissions (retained by or paid to the unit). Scout units have the right to return to the Council any unsold product, subject to a specific return by date designation. As of December 31, 2022 and 2021, no probable popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Revenue recognition (continued)

- Camping and Activity revenue - The Council conducts program-related experiences such as Day Camps, Day Hikes, Weekend Overnights, Camporees, and Summer Camps where the performance obligation is delivery of the program. Fees for camps and activities are set by the Council. For resident camps, fees include program supplies, meals, lodging, recognition items, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation. Activities such as the National Scout Jamboree may include a transportation component in the transaction price. Some special camp programs do incur additional fees (e.g. shooting sports), which are separately priced. BSA activities such as Wood Badge may involve program supplies, recognition items, and meals, and are also considered to be one performance obligation. Fees collected in advance of delivery of the camp or activity are initially recognized as liabilities (deferred revenue) and are only recognized in the statement of activities after delivery of the program has occurred.

- Special fundraising event revenue - The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. *FASB ASU 2014-09* requires allocation of the transaction price to the performance obligations. Accordingly, the Council separately presents in its statement of activities and changes in net assets or notes to financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Council in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event. For special event fees received before year-end for an event to occur after year-end, the Council follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Donated materials and services

Donated land, buildings, equipment, investments and other noncash donations of significant value are recorded as contributions at their fair market value at their date of donation. The Council reports the donations as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Per *FASB ASU 2016-14* and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Council reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council.

Some members of the Council have donated significant amounts of time to the Council in furthering its programs and objectives. However, no amounts have been included in the financial statements for donated member or volunteer services.

Functional expenses

The costs of providing the Scouting program and supporting services have been summarized on the statement of activities and changes in net assets on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the Scout Executive, accounting, information technology personnel, and payroll taxes. The basis of allocation of these expenses is the result of a time study of staff performed every three years. The percentage of time allocated to each of the programs and the supporting functions is based on the average of the results of three separate studies and is applied to the expenses that are allocated. In accordance with the policy of the National Council, the payment of the charter fee to the National Council is not allocated as a functional expense. The financial statements report expenses by natural classification and function in the statement of functional expenses.

Advertising

Advertising costs are expensed when incurred. Advertising costs for 2022 and 2021 amounted to approximately \$15,500 and \$10,000, respectively.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Deferred revenue

Deferred revenue represents advances from third parties for services not yet performed.

Specific assistance to individuals

The Council expenses camp scholarships, uniforms, transportation to camp and membership dues on behalf of certain Scouts over the period of their Scouting membership. The Council expensed approximately \$321,000 and \$177,000 in 2022 and 2021, respectively, for specific assistance provided to certain scouts.

Use of estimates

The preparation of the 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.

Prior year summarized comparative information

The financial statements and certain notes include certain prior year summarized comparative information in total but not by fund balance or functional expense allocation. Such information does not always include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended December 31, 2021 from which the summarized information was derived.

Concentrations of credit risk

The Council's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Council places its cash and cash equivalents with what it believes to be quality financial institutions and the Council has not incurred any losses in such accounts to date. The Council accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations (*ASC 958-320 and subsections*). This standard requires that investments in securities with readily determinable fair values be measured at fair value in the statement of financial position. Fair value of marketable securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the statement of activities and changes in net assets. Investments are exposed to various risks such as significant world events, interest rate, market volatility, liquidity and credit risks. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these could materially affect the fair value of the investments reported in the statement of financial position at December 31, 2022.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Concentrations of credit risk (continued)

Contributions receivable consist primarily of amounts due in connection with various Council events and amounts pledged by the Council's donors. The Council periodically reviews collectability of contribution receivables and provides for potentially uncollectible contributions accordingly. Past credit losses have been consistent with the Council's expectations. The Council monitors its cash, cash equivalents, investments and the collectability of its receivables. As a result, the Council believes concentrations of credit risk are limited.

Fair value measurements

The FASB established a framework for measuring fair value and disclosing fair value measurements to financial statement users. Fair value is the price that would be received to sell an asset or paid to transfer a liability (referred to as the "exit price") in an orderly transaction between market participants in the principal market, or if none exists, the most advantageous market, for specific assets or liabilities at the measurement dates. The fair value should be based on assumptions that market participants would use, including consideration of nonperformance risk.

In determining fair value, the Council uses various valuation approaches. The FASB established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Council. Unobservable inputs are inputs that reflect the Council's assumptions about assumptions market participants would use in pricing the assets or liabilities developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Council has access.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Fair value measurements (continued)

The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Council in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Council's own assumptions are set to reflect those that the Council believes market participants would use in pricing the asset or liability at the measurement date. The following table provides fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2022 and 2021:

<u>Description</u>	<u>2022</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds				
Domestic – Fixed Income	\$ 3,220,829	\$ -	\$ -	\$ 3,220,829
International – Fixed Income	368,735	-	-	368,735
Domestic – Equities	3,111,678	-	-	3,111,678
International – Equities	227,173	-	-	227,173
Real assets	-	1,000,338	-	1,000,338
Complementary strategies and other	177,792	-	-	177,792
Equities				
Domestic	1,910,886	-	-	1,910,886
International	259,346	-	-	259,346
Money market funds				
	<u>1,496,824</u>	<u>-</u>	<u>-</u>	<u>1,496,824</u>
Total investments	<u>\$10,773,263</u>	<u>\$ 1,000,338</u>	<u>\$ -</u>	<u>\$11,773,601</u>

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Fair value measurements (continued)

<u>Description</u>	<u>2021</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds				
Domestic – Fixed Income	\$ 3,968,890	\$ -	\$ -	\$ 3,968,890
International – Fixed Income	469,133	-	-	469,133
Domestic – Equities	3,979,042	-	-	3,979,042
International – Equities	1,652,783	-	-	1,652,783
Real assets	-	936,949	-	936,949
Complementary strategies and other	190,823	-	-	190,823
Equities				
Domestic	2,494,334	-	-	2,494,334
International	353,697	-	-	353,697
Money market funds				
	<u>906,232</u>	<u>-</u>	<u>-</u>	<u>906,232</u>
Total investments	<u>\$14,014,934</u>	<u>\$ 936,949</u>	<u>\$ -</u>	<u>\$14,951,883</u>

Income taxes

The Council is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Council is subject to federal income tax on any unrelated business taxable income. The Council evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. No uncertain tax positions were identified by the Council as of December 31, 2022 and December 31, 2021.

The Council's policy is to classify income tax penalties and interest as interest expense in its financial statements. During the years ended December 31, 2022 and 2021, the Council incurred no penalties and interest. The Council's Federal Return of Organizations Exempt from Income Tax (Forms 990) for 2019, 2020 and 2021 are subject to examination by the IRS, generally for the three years after they were filed. As of the date of this report, the Council's 2022 tax return had not yet been filed.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

Accounting Pronouncements Adopted

The provisions of FASB ASC Topic 842 (ASU 2016-02), *Leases*, were effective January 1, 2022. ASC 842 requires that a lease liability and related right-of-use-asset representing the lessee's right to control the use of the asset be recorded on the statement of financial position upon the commencement of all leases except for those with a lease term of twelve months or less. Leases are classified as either finance leases or operating leases. In connection with the adoption of the standard, the Council, at December 31, 2022, has recognized ROU assets of \$406,005 and an operating lease liability of \$406,005 with respect to its lease for office space (see note 11) and various office equipment leases. The Council has determined that it is not material to discount its lease to its net present value. The Council's reporting for the comparative period presented in the financial statements is in accordance with the previous accounting standards. The implementation of the standard did not have an impact on the Council's operating results and cash flows, however, as a result of differences in accounting for the assets, liabilities and expense items related to the Council's leases, certain variances exist between the 2022 and 2021 financial statements.

Effective January 1, 2022, the Council adopted the provisions of FASB ASU 2020-07, Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets (also referred to as gifts-in-kind) and address presentation and disclosure of those contributed nonfinancial assets. The term "nonfinancial assets" includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, cryptocurrency, services, and unconditional promises of those assets. Under ASU 2020-07, organizations must present gifts-in-kind as a separate line item in the statement of activities, apart from gifts of cash and other financial assets. In addition to this presentation requirement, the gifts-in-kind must be further broken down into categories (fixed assets, supplies, contributed services, etc.) in the notes to the financial statements. For each category of contributed nonfinancial assets recognized in the financial statements, further footnote disclosures are required under the ASU, including whether the gifts-in-kind were sold or used, among other disclosures. The provisions of ASU 2020-07 must be applied on a retrospective basis (meaning that all periods presented in comparative financial statements must reflect the requirements of the new standard). Adoption of this standard had no effect on the Council's net assets for the years ended December 31, 2022 and 2021.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 3 – Liquidity and availability of funds

The Council's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2022</u>	<u>2021</u>
Cash – Operating Fund	\$ 893,113	\$ 347,464
Accounts receivable - Operating Fund	14,747	129,324
Contributions receivable - Operating Fund	<u>551,577</u>	<u>460,537</u>
Total financial assets as of year end	1,459,437	937,325
Appropriation from quasi-endowment for general expenditures in subsequent year	<u>650,274</u>	<u>641,093</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 2,109,711</u>	<u>\$ 1,578,418</u>

The Council's endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is designated by the Board for capital or endowment purposes and, therefore, is not available for general expenditure. As described in Note 13, the quasi-endowment has a spending rate which is generally set between 4% and 5% of the average fair value of the investment portfolio for the prior twenty quarters through December 31, 2022. Appropriations of \$650,274 and \$641,093 from the quasi-endowment will be available within the next 12 months as of December 31, 2022 and 2021, respectively.

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Council invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Council has a committed line of credit in the amount of \$2,100,000 (see note 7), of which approximately \$200,000 is available as of December 31, 2022 and could be drawn upon if necessary. Additionally, as of December 31, 2022, the Council has a quasi-endowment of \$3,414,880. Although the Council does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 4 – Investments

Investments, at fair value, at December 31, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Money market funds	\$ 1,496,824	\$ 906,232
Mutual funds		
Domestic – Fixed Income	\$ 3,220,829	\$ 3,968,890
International –		
Fixed Income	368,735	469,133
Domestic – Equities	3,111,678	3,979,042
International – Equities	227,173	1,652,783
Real assets	1,000,338	936,949
Complementary strategies and other	<u>177,792</u>	<u>190,823</u>
	<u>8,106,545</u>	<u>11,197,620</u>
Equities		
Domestic	1,910,886	2,494,334
International	<u>259,346</u>	<u>353,697</u>
Total investments, at fair value	<u>\$ 11,773,601</u>	<u>\$ 14,951,883</u>

Investment revenue for the years ended December 31, 2022 and 2021 has been reported in the net assets as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividend revenue	\$ 319,919	\$ 249,411
Realized and unrealized gain (loss)	(2,669,701)	1,183,837
Investment fees	<u>(77,157)</u>	<u>(76,630)</u>
Total return on investments	(2,426,939)	1,356,618
Investment return authorized for current operations (see note 12)	<u>(481,931)</u>	<u>(597,486)</u>
Excess of investment return over authorized allocation	<u>\$ (2,908,870)</u>	<u>\$ 759,132</u>

The above investment return is classified within net assets without donor restrictions in the 2022 and 2021 statement of activities and changes in net assets. The Council also has beneficial interests in several charitable remainder and perpetual trusts, administered by third parties, totaling \$941,568 and \$1,184,472 at December 31, 2022 and 2021, respectively. The Council's interests in these charitable remainder and perpetual trusts at December 31, 2022 and 2021 are measured at the fair value of the underlying investments, which consist of common stock, corporate debt, exchange traded funds, mutual funds, hedge funds and money market funds, which are all deemed to be Level 1 and Level 2 assets within the fair value hierarchy.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 5 – Contributions receivable, net

Contributions receivable, at December 31, 2022 and 2021, are all expected to be collected within one year of the statement of financial position date.

Note 6 – Fixed assets, net

Fixed assets, net consisted of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Camp facilities:		
Permanent ways and structures	\$ 13,786,522	\$ 13,615,409
Equipment and machinery	1,973,706	2,190,255
Land improvements	2,372,281	2,356,749
Land	630,948	734,323
Vehicles	486,401	674,875
Construction in progress	-	133,169
Total camp facilities	<u>19,249,858</u>	<u>19,704,780</u>
Less: accumulated depreciation	<u>(14,582,291)</u>	<u>(14,853,736)</u>
Total camp facilities, net	<u>4,667,567</u>	<u>4,851,044</u>
Council office:		
Furniture, fixtures and equipment	1,517,905	1,517,905
Leasehold improvements	266,358	247,685
Vehicles	<u>55,700</u>	<u>124,664</u>
Total Council office	1,839,963	1,890,254
Less: accumulated depreciation and amortization	<u>(1,703,291)</u>	<u>(1,660,984)</u>
Total Council office, net	<u>136,672</u>	<u>229,270</u>
Total fixed assets, net	<u>\$ 4,804,239</u>	<u>\$ 5,080,314</u>

During 2022, the Council sold land with an original cost basis of \$103,375 and sale related expenses of \$370,515 for a total of \$7,887,000, resulting in a gain on sale of land of \$7,413,110, which is reflected as revenue of the Capital Fund on the statement of activities. The Council expects to sign an agreement to sell an additional conservation easement for an additional portion of the Camp Pouch property during 2023. In addition, during 2022, the Council wrote off fully depreciated assets totaling \$717,593.

Conservation consent agreement

Certain of the Council's land is subject to conservation easements. The Council entered into a conveyance of a Conservation Easement agreement (the "agreement") with The Trust for Public Land ("TPL"). During 2012 and 2013, under the terms of the agreement, the TPL purchased conservation easements on separate portions of the Council's Camp Pouch located in Staten Island, New York. The Council expects to sell an additional portion of conservation easement during 2023.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 7 – Line of credit

The Council has available a \$2,100,000 line of credit maturing on December 31, 2023. Advances under the line bear interest at a fluctuating rate per annum equal to 1.11% above daily simple Secured Overnight Financing Rate. As security for the line, the Council has granted the bank a security interest in certain of its investments in custody with the bank. At December 31, 2022, the Council had \$1,900,000 outstanding borrowings under the line.

Note 8 – Special event revenue

Gross receipts from special fundraising events recorded by the Council consist of exchange transaction revenue and contribution revenue. FASB ASU 2014-09 requires the Council to separately present the components of this revenue. The following is a summary of the gross receipts from special fundraising events for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Contributions	\$ 2,033,254	\$ 2,288,154
Special event revenue	<u>438,519</u>	<u>309,883</u>
Gross special fundraising events	<u>\$ 2,471,773</u>	<u>\$ 2,598,037</u>

Note 9 – Government stimulus programs

2021 Paycheck protection program

On February 9, 2021, the Council received a second draw loan under the Paycheck Protection Program (the “PPP”) totaling \$1,232,996. The Council met the PPP requirements for loan forgiveness in 2021 and the PPP Loan forgiveness application was confirmed by the SBA during February 2022, accordingly the Council recorded grant revenue of \$1,232,996 in the 2021 statement of activities.

Employee retention payroll tax credits

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act and subsequent legislations (the “Acts”) were signed into law. The Acts provided, among other things, a refundable credit of certain qualified wages and benefits per employee for expenses paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, the Council amended certain quarterly payroll tax returns and during 2022, the Council received \$241,243 which is reflected on the statement of activities. The Council expects to receive additional credits totaling approximately \$878,000 which will be reflected as revenue when received.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 10 – Operating lease obligations

Office space lease

During September 2018, the Council entered into a lease for office space expiring on September 30, 2023. The Council's annual rent is equal to the Council's proportionate share of the landlord's carrying maintenance, operating and depreciation charges, along with the scheduled contributions to the landlord's capital improvement funds. The Council's proportionate share of these expenses is based on the proportionate share of its square footage in the building, as defined in the agreement. Rent is subject to annual increases based on increases in the landlord's expenses. The Council is currently evaluating alternatives for a new lease of office space.

Equipment leases

The Council leases equipment under the terms of several operating leases. The leases expire at various times through 2025 and require aggregate monthly payments of approximately \$1,990.

The total future minimum lease commitments are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 382,261
2024	11,872
2025	<u>11,872</u>
Total	<u>\$ 406,005</u>

Lease cost for the year ended December 31, 2022

Operating lease cost	\$ 493,628
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Weighted-average information as of December 31, 2022

Weighted-average remaining lease term in years:	
Operating leases	1.5 years

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2022

Note 11 – Commitments

Promissory notes

During November 2018, the Council borrowed \$425,000 under the terms of a promissory note (the “Note”). The Note bears no interest and requires monthly payments of \$10,000 commencing January 15, 2021 through maturity on July 15, 2022 at which time the entire unpaid principal amount under the Note shall be due and payable. During December 2020, due to the COVID-19 pandemic, the lender agreed to allow the Council to suspend the regular monthly payments due under the Note through October 2021 with the exception of a \$13,000 payment in December 2020. Monthly payments resumed November 2021 and will continue at \$10,000 per month through November 2023 when all outstanding principal under the Note shall be repaid in full. As of December 31, 2022, the Council had \$110,000 outstanding under the note.

During 2022, the Council borrowed \$1,200,000 under the terms of four separate promissory notes (the “Notes”), each bearing interest at the Secured Overnight Financing Rate (SOFR) plus 1.25% and requiring payment in full, including accrued interest, at the earliest of (i) closing and receipt of payment for a conservation easement on a portion of the Council’s Camp Pouch located in Staten Island (see note 6), (ii) closing and receipt of funds for a bridge loan, emergency line of credit or other borrowings secured by the Camp Pouch property or (iii) December 31, 2023. As of December 31, 2022, the full amount of the Notes remained outstanding. The Council is in the process of finalizing amendments to the Promissory Note agreements to extend the final maturity of the Notes to June 30, 2025.

Note 12 – Contributed services

The Council receives donated services to fulfill its mission. For the year ended December 31, 2022, donated services recorded in the financial statements as other direct support totaled \$427,311.

<u>Years ended December 31,</u>	<u>2022</u>
Legal fees	\$ 427,311

The Council recognizes contributed services within revenue. Unless otherwise noted, contributed services did not have donor-imposed restrictions.

Note 13 – Related party transactions

The Council purchases supplies and program materials from the National Council. The Council also incurs expenses from the National Council related to certain administrative services. Total expenses incurred in connection with goods and services provided by the National Council totaled \$1,013,071 and \$886,651 for the years ended December 31, 2022 and 2021, respectively. The accounts payable balance includes payables to the National Council of \$23,071 as of December 31, 2022.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 14 – Employee benefit plans

BSA retirement plan

The National Council has a qualified defined benefit pension plan (“the plan”) administered at the National Service Center that covers employees of the National Council and local councils, including the Council. The plan name is the *Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees*. Effective August 1, 2020, the plan was frozen to all employees. The Council contributes 7.75 percent of eligible participants’ compensation to the BSA retirement program.

Pension expense (excluding the contributions made by employees) for the years ended December 31, 2022 and 2021 totaled approximately \$277,000 and \$237,000, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2022 indicates that it is in compliance with ERISA regulations regarding funding.

BSA match savings plan

The Council participates in a defined contribution plan established by the National Council of the Boy Scouts of America. The plan name is the *BSA Match Savings Plan*, which covers substantially all of the employees of the Council. Participants in the BSA Match Savings Plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Council matches employee contributions to the BSA Match Savings Plan up to 50 percent of contributions from each participant, limited to 6 percent of each employee’s gross pay. The Council contributed approximately \$70,000 and \$69,000, respectively, to the BSA Match Savings Plan in 2022 and 2021.

Healthcare plan

The Council’s employees participate in a health care plan provided by the National Council. The Council pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2022 and 2021, the Council remitted approximately \$229,000 and \$214,000, respectively, on behalf of its employees to the National Council related to the health care plan.

Other employee benefit plans

The Council’s employees participate in dental care and life insurance plans provided by the National Council. The Council pays a portion of the costs for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plans. During the years ended December 31, 2022 and 2021, the Council remitted approximately \$57,000 and \$46,000, respectively, on behalf of its employees to the plans.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 15 – Endowment fund net assets

The Council's endowment consists of individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors (the "Board") to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions, identified by the Council's Board of Directors to be used for future investment and growth, are included in net assets without donor restrictions – Council designated.

Interpretation of relevant law

The Council has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA), as requiring the Council to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds (as outlined on the following page). The Council preserves the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Council classifies as net assets with perpetual donor restrictions (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 of the applicable donor gift instrument, if any, at the time the accumulation is added to the fund. The portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Interpretation of relevant law (continued)

Investment return earned on the Council's net assets with donor restrictions are not subject to donor restrictions but have been designated by the Board of the Council for use in the capital fund or allocated to the Board Designated Endowment, see table on page 31. 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
- (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

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 15 – Endowment fund net assets (continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Council to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2022 and 2021. The Council has interpreted the NYPMIFA and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

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). The Council targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

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. The Council expects its endowment funds, over time, to provide an average rate of return sufficient to fund the Council's spending policy as well as to grow the endowment an average of 4% to 5% annually. Actual returns in any given year may vary from this amount.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 15 – Endowment fund net assets (continued)

Spending policy

The Council has a policy to make an annual investment return allocation in support of operations. The annual allocation is equal to the average fair value of the investment portfolio for the prior twenty quarters, multiplied by a percentage (the “Payout Percentage”) to be annually recommended by the Investment Committee and approved by the Board of Directors. The Payout Percentage is generally set between 4% and 5%. For the years ended December 31, 2022 and 2021, \$481,931 and \$455,919, respectively, were used as the authorized investment return allocation for operations. In addition, in 2022 and 2021 an additional \$160,000 and \$150,000, respectively, of investment return was allocated to the capital fund. This is consistent with the Council’s objective to maintain purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

At December 31, 2022, the endowment net asset composition by type of fund is as follows:

	Without Donor <u>Restrictions</u>	Temporary Donor <u>Restrictions</u>	Perpetual Donor <u>Restrictions</u>	<u>Total</u>
Donor-restricted funds	\$ -	\$ 1,218,942	\$ 9,289,830	\$10,508,772
Council-designated funds	<u>3,414,880</u>	<u>-</u>	<u>-</u>	<u>3,414,880</u>
Total funds	<u>\$ 3,414,880</u>	<u>\$ 1,218,942</u>	<u>\$ 9,289,830</u>	<u>\$13,923,652</u>

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 15 – Endowment fund net assets (continued)

Changes in the Council's board designated, temporary and perpetual donor restricted net assets for the years ended December 31, 2021 and 2022 are as follows:

	Council Designated			Perpetual Donor Restrictions				
	Capital Fund	Endowment Fund	Total Council Designated	Temporary Donor Restrictions	Planned Giving Development Staff	Beneficial Interest in Perpetual Trusts	General and Camp Operation of the Council	Total With Perpetual Restrictions
Net assets at December 31, 2020	<u>\$ 1,233,118</u>	<u>\$ 2,986,634</u>	<u>\$ 4,219,752</u>	<u>\$ 1,488,115</u>	<u>\$ 1,104,994</u>	<u>\$ 1,055,167</u>	<u>\$ 7,210,630</u>	<u>\$ 9,370,791</u>
Investment return:								
Investment revenue – net	299,113	974,068	1,273,181	-	-	-	-	-
Investment return authorized for current operation	150,000	(597,486)	(447,486)	-	-	-	-	-
Total investment return	449,113	376,582	825,695	-	-	-	-	-
Contributions and other	10,000	50	10,050	282,464	-	129,305	7,855	137,160
Net assets released from restrictions	-	-	-	(25,000)	-	-	-	-
Appropriation of endowment for expenditure	(24,173)	(6,652)	(30,825)	-	-	-	-	-
Net assets at December 31, 2021	<u>\$ 1,668,058</u>	<u>\$ 3,356,614</u>	<u>\$ 5,024,672</u>	<u>\$ 1,745,579</u>	<u>\$ 1,104,994</u>	<u>\$ 1,184,472</u>	<u>\$ 7,218,485</u>	<u>\$ 9,507,951</u>
Investment return:								
Investment revenue – net	(454,657)	(1,895,125)	(2,349,782)	-	-	-	-	-
Investment return authorized for current operation	-	(481,931)	(481,931)	-	-	-	-	-
Total investment return	(454,657)	(2,377,056)	(2,831,713)	-	-	-	-	-
Contributions and other	102,541	81	102,622	10,025	-	-	24,783	(218,121)
Gain on sale of land	7,413,110	-	7,413,110	-	-	-	-	-
Loss on disposal of fixed assets	(103,375)	-	(103,375)	-	-	-	-	-
Net assets released from restrictions	511,662	-	511,662	(536,662)	-	-	-	-
Appropriation of endowment for expenditure	(311,608)	(61,434)	(373,042)	-	-	-	-	-
Interfund transfer	(6,329,076)	20	(6,329,056)	-	-	-	-	-
Net assets at December 31, 2022	<u>\$ 2,496,655</u>	<u>\$ 918,225</u>	<u>\$ 3,414,880</u>	<u>\$ 1,218,942</u>	<u>\$ 1,104,994</u>	<u>\$ 941,568</u>	<u>\$ 7,243,268</u>	<u>\$ 9,289,830</u>

The total Council's designated net assets in the Capital Fund excludes \$4,864,239 and \$5,140,314 in 2022 and 2021, respectively, representing fixed assets and all related activity.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 16 – Litigation and contingencies

Litigation and bankruptcy

The New York Child Victims Act (the “Act”) took effect August 14, 2019 and extended the statute of limitations for those who may wish to bring civil claims alleging sexual abuse. As of the expiration of the revival window, which was August 14, 2021, the Council has been named as a defendant in various lawsuits alleging such conduct. The cost to defend the Council has been covered by the National Council.

The National Council has also been named as a defendant in many of the lawsuits alleging sexual abuse, seeking claims for compensatory and punitive damages. The Council is a separate not-for-profit organization. Some of these claims arose out of alleged conduct occurring on the Council’s property and/or were allegedly committed by Council employees or volunteers, and in some cases the Council is named as a co-defendant with the National Council.

On February 18, 2020, the National Council filed for protection under Chapter 11 of the United States Bankruptcy Code. While in bankruptcy, the National Council continued to operate its business in the ordinary course and has received bankruptcy court approval to continue its relationship with the Council including providing the benefit and insurance programs noted above. The Council was not a party to the bankruptcy proceeding. The bankruptcy court granted a stay of litigation against both the National Council and local councils, and the National Council proposed a plan of reorganization (the “Plan”) that protected local councils from any further legal exposure for abuse claims arising prior to February 18, 2020, subject to the assignment of insurance rights and a to be determined financial contribution from local councils to a proposed settlement trust (the “Settlement Trust”) which was based on a number of factors. In exchange for such contribution, the Plan provided each council a channeling injunction transferring claims known and unknown that occurred prior to February 18, 2020 to the Settlement Trust for the benefit of claimants and releases the Council, the Council’s Board members, volunteers and employees (other than alleged perpetrators). Under the Plan, the Council made a contribution of \$9,000,000 which was material to the net assets of the Council.

On September 8, 2022 the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an order confirming the Plan (the “Confirmation Order”). On March 28, 2023, the United States District Court for the District of Delaware entered an opinion and order (the “District Court Decision”) affirming the Confirmation Order on appeal. On April 19, 2023, according to a notice filed with the Bankruptcy Court by the National Council, the effective date of the Plan occurred, the Plan has been substantially consummated, and the channeling injunction and releases under the Plan went into effect and became binding. Certain parties are appealing the District Court Decision.

The National Council provides the Council with a charter, program materials and support for administration (see Note 1), sponsors certain benefit plans for Council employees (see Note 13), and operates a general liability insurance program in which the Council participates.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**

**Notes to Financial Statements (continued)
December 31, 2022**

Note 16 – Litigation and contingencies (continued)

In order to fund the contribution to the Settlement Trust, on May 13, 2022, the Council closed on Phase One under a contract to sell approximately 9,400 acres of land within the Ten Mile River Scout Reservation (“TMR”) in Sullivan County, New York to the Conservation Fund. The land will ultimately be conveyed to the State of New York, and permanently conserved from development. All operating camps at TMR have been retained, and Scouts will be able to continue to access the sold land. Net proceeds from the Phase One closed in May 2022 involving approximately 6,100 acres, were approximately \$7.9 million and the Council recognized a gain on the sale of approximately \$7.4 million in the Capital Fund in the 2022 statement of activities and changes in net assets.

Phase Two of the agreement with the Conservation Fund, consists of the balance of the land to be sold, the gain on sale of Phase Two will be recognized in the statement of activities upon closing, with pricing to be certified by the State of New York following remediation of certain structures and facilities on the property.

As described in Note 6, the Council also expects to sign an additional conservation easement on its Camp Pouch property located in Staten Island.

Upon the closings of Phase Two of the agreement with the Conservation Fund related to TMR and the additional conservation easement on Camp Pouch, the Council expects to receive proceeds to pay down its line of credit, pay off the Promissory Notes, and have excess proceeds that will substantially improve its liquidity position.

Note 17 – Subsequent events

The Council considered subsequent events through June 19, 2023 the date the financial statements were available to be issued.