

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

**Financial Statements
for the year ended
December 31, 2023
(with summarized comparative
information for the year ended
December 31, 2022)**

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, 2023 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, 2023 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.

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 2022 financial statements, and our report dated June 19, 2023, 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Leary McGinty & Donnelly LLP

May 22, 2024

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

**Statement of Financial Position
December 31, 2023**

Assets

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash and cash equivalents	\$ 819,090	\$ 893,113	\$ 175,163	\$ 323,039	\$ 404,210	\$ 322,034	\$ 1,398,463	\$ 1,538,186
Accounts receivable	5,560	14,747	-	-	-	-	5,560	14,747
Contributions receivable, net	706,470	551,577	70,841	71,551	264,658	223,935	1,041,969	847,063
Inventories, at cost	296,930	236,144	-	-	-	-	296,930	236,144
Deferred charges and other assets	342,541	365,686	-	-	-	-	342,541	365,686
Interfund balances	38,958	-	(38,958)	-	-	-	-	-
Investments, at fair value	-	-	3,355,325	3,053,083	9,461,981	8,720,518	12,817,306	11,773,601
Beneficial interests in charitable remainder and perpetual trusts, at fair value	-	-	-	-	1,074,406	941,568	1,074,406	941,568
Land and assets held for sale	-	-	60,000	60,000	-	-	60,000	60,000
Fixed assets, at cost, less accumulated depreciation and amortization	-	-	4,368,358	4,756,615	-	-	4,368,358	4,756,615
Right-of-use assets – operating leases	-	358,381	91,222	47,624	-	-	1,540,999	406,005
Total assets	\$ 3,659,326	\$ 2,419,648	\$ 8,081,951	\$ 8,311,912	\$ 11,205,255	\$ 10,208,055	\$ 22,946,532	\$ 20,939,615

Liabilities and Net Assets (Deficit)

Liabilities								
Line of credit	\$ 1,900,000	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ 1,900,000	\$ 1,900,000
Accounts payable	397,690	338,901	8,044	5,975	-	-	405,734	344,876
Accrued expenses	309,578	182,810	19,092	5,548	-	-	328,670	188,358
Custodial accounts	401,782	424,232	-	-	-	-	401,782	424,232
Deferred camp revenue	106,316	109,274	-	-	-	-	106,316	109,274
Deferred other revenue	-	57,100	-	-	-	-	-	57,100
Operating lease obligations	1,468,605	358,381	91,222	47,624	-	-	1,559,827	406,005
Note payable	1,200,000	1,310,000	-	-	-	-	1,200,000	1,310,000
Total liabilities	5,783,971	4,680,698	118,358	59,147	-	-	5,902,329	4,739,845
Net assets (deficit)								
Without donor restrictions	(2,271,351)	(2,386,050)	6,903,509	7,158,823	1,775,918	918,225	6,408,076	5,690,998
With donor restrictions	146,706	125,000	1,060,084	1,093,942	9,429,337	9,289,830	10,636,127	10,508,772
Total net assets	(2,124,645)	(2,261,050)	7,963,593	8,252,765	11,205,255	10,208,055	17,044,203	16,199,770
Total liabilities and net assets	\$ 3,659,326	\$ 2,419,648	\$ 8,081,951	\$ 8,311,912	\$ 11,205,255	\$ 10,208,055	\$ 22,946,532	\$ 20,939,615

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, 2023

(with Summarized Comparative Information for the Year Ended December 31, 2022)

	2023			2022
	Operating Fund	Capital Fund	Endowment Fund	Total
Changes in net assets without donor restrictions				
Support and revenue				
Direct support				
Contributions of cash and other financial assets				
Friends of Scouting	\$ 931,400	\$ -	\$ -	\$ 931,400
Direct mail contributions	64,249	-	-	64,249
Capital campaign	-	10,675	-	10,675
Special fundraising events	3,802,704	-	-	3,802,704
Less cost of direct benefits	(641,101)	-	-	(641,101)
Special fundraising events, net	3,161,603	-	-	3,161,603
Legacies and bequests	145,126	-	-	145,126
Foundations, trusts and other	223,071	-	-	223,071
Other direct support – contributed services	124,468	-	85,133	209,601
Total contributions of cash and other financial assets	4,649,917	10,675	85,133	4,745,725
Contributions of nonfinancial assets	433,812	-	-	433,812
Total direct support	5,083,729	10,675	85,133	5,179,537
Indirect support				
United Ways	7,679	-	-	7,679
Government grants	416,366	-	-	416,366
Fees from government agencies	202,300	-	-	202,300
Total indirect support	626,345	-	-	626,345
Revenue				
Product sales	399,350	-	-	399,350
Less cost of goods sold	(263,658)	-	-	(249,694)
Net product sales	135,692	-	-	135,692
Investment return – net	488,436	390,788	814,727	1,693,951
Camping revenue – net	2,791,879	-	-	2,791,879
Activity revenue	442,692	-	-	442,692
Other revenue	367,754	3,311	7,624	378,689
Gain on sale of land	-	-	-	-
Net assets released from restrictions	125,000	-	-	125,000
Total revenue	4,351,453	394,099	822,351	5,567,903
Total support and revenue	10,061,527	404,774	907,484	11,373,785
Expenses				
Program services	7,457,244	569,813	28,729	8,055,786
Supporting services				
Management and general	1,249,703	22,243	13,151	1,285,097
Fund-raising	1,155,555	10,052	5,951	1,171,558
Total supporting services	2,405,258	32,295	19,102	2,456,655
Total functional expenses	9,862,502	602,108	47,831	10,512,441
Charter and national service fee	86,286	-	-	86,286
Total expenses	9,948,788	602,108	47,831	10,598,727
Increase (decrease) in net assets without donor restrictions before loss on disposal of fixed assets				
	112,739	(197,334)	859,653	775,058
Loss on disposal of fixed assets	-	(57,980)	-	(57,980)
Increase (decrease) in net assets without donor restrictions	\$ 112,739	\$ (255,314)	\$ 859,653	\$ 717,078

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, 2023

(with Summarized Comparative Information for the Year Ended December 31, 2022)

	2023			2022		
	Operating Fund	Capital Fund	Endowment Fund	Total	Total	
Changes in net assets with donor restrictions						
Direct support	\$ 107,748	\$ 5,100	\$ 6,669	\$ 119,517	\$ 34,808	
Change in value of charitable remainder and perpetual trusts	-	-	132,838	132,838	(242,904)	
Net assets released from restrictions	(125,000)	-	-	(125,000)	(536,662)	
Increase (decrease) in net assets with donor restrictions	(17,252)	5,100	139,507	127,355	(744,758)	
Increase (decrease) in net assets	95,487	(250,214)	999,160	844,433	2,362,015	
Net assets (deficit), beginning 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	125,000	1,093,942	9,289,830	10,508,772	11,253,530	
Total net assets, beginning of year	(2,261,050)	8,252,765	10,208,055	16,199,770	13,837,755	
Interfund transfers – net assets without donor restrictions	1,960	-	(1,960)	-	-	
Interfund transfers – net assets with donor restrictions	38,958	(38,958)	-	-	-	
Total interfund transfers	40,918	(38,958)	(1,960)	-	-	
Net assets (deficit), end of year						
Net assets (deficit) without donor restrictions	(2,271,351)	6,903,509	1,775,918	6,408,076	5,690,998	
Net assets with donor restrictions	146,706	1,060,084	9,429,337	10,636,127	10,508,772	
Total net assets (deficit), end of year	\$(2,124,645)	\$ 7,963,593	\$ 11,205,255	\$ 17,044,203	\$ 16,199,770	

See notes to financial statements.

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

**Statement of Functional Expenses
Year Ended December 31, 2023
(with Summarized Comparative Information for the Year Ended December 31, 2022)**

	2023				2022			
	Supporting Activities							
	Program Services	Management and General	Fund Raising	Cost of Products Sold and Unit Commissions	Cost of Direct Benefits to Donors	Total	Total	Total
Employee compensation								
Salaries	\$3,006,231	\$ 308,457	\$ 474,045	\$ -	\$ -	\$3,788,733	\$3,746,668	
Employee benefits	510,453	92,805	103,346	-	-	706,604	632,520	
Payroll taxes	232,140	28,045	37,635	-	-	297,820	317,566	
Employee related expenses	20,456	9,100	4,462	-	-	34,018	139,572	
Total employee compensation	<u>3,769,280</u>	<u>438,407</u>	<u>619,488</u>	<u>-</u>	<u>-</u>	<u>4,827,175</u>	<u>4,836,326</u>	
Other expenses								
Professional fees	613,146	236,284	178,710	-	-	1,028,140	1,084,284	
Supplies and catering	1,027,473	6,330	13,915	-	-	1,047,718	912,794	
Telephone	71,175	9,725	5,722	-	-	86,622	74,045	
Postage and shipping	1,714	111	651	-	-	2,476	4,178	
Occupancy	953,813	204,693	93,035	-	-	1,251,541	1,006,193	
Rent and maintenance of equipment	194,447	41,665	79,298	-	-	315,410	182,379	
Printing and publications	26,848	7,194	15,376	-	-	49,418	41,100	
Travel	160,886	10,606	4,831	-	-	176,323	124,270	
Conferences and meetings	21,270	537	243	-	-	22,050	14,953	
Specific assistance to individuals	375,690	-	-	-	-	375,690	321,724	
Recognition awards	35,218	1,154	2,693	-	-	39,065	53,124	
Cost of products sold and unit commissions	-	-	-	-	-	-	271	
Cost of goods sold – scout shop and trading posts	-	-	-	263,658	-	263,658	341,734	
Cost of direct benefits to donors	-	-	-	-	641,101	641,101	475,322	
Interest	121,150	54,757	24,748	-	-	200,655	34,338	
Bad debt	-	230,483	-	-	-	230,483	200,000	
Insurance	206,993	10,259	4,637	-	-	221,889	188,501	
Other	36,189	15,697	120,440	-	-	172,326	165,820	
Total other expenses	<u>3,846,012</u>	<u>829,495</u>	<u>544,299</u>	<u>-</u>	<u>641,101</u>	<u>6,124,565</u>	<u>5,225,030</u>	
Expenses before depreciation and amortization	7,615,292	1,267,902	1,163,787	263,658	641,101	10,951,740	10,061,356	
Depreciation and amortization								
	440,494	17,195	7,771	-	-	465,460	489,008	
Total functional expenses	<u>8,055,786</u>	<u>1,285,097</u>	<u>1,171,558</u>	<u>263,658</u>	<u>641,101</u>	<u>11,417,200</u>	<u>10,550,364</u>	
Expenses included with revenue of the statement of activities								
Cost of products sold and unit commissions	-	-	-	-	-	-	(271)	
Cost of goods sold – scout shop and trading posts	-	-	-	(263,658)	-	(263,658)	(341,734)	
Cost of direct benefits to donors	-	-	-	-	(641,101)	(641,101)	(475,322)	
Total expenses included in the expense section on the statement of activities	<u>\$8,055,786</u>	<u>\$1,285,097</u>	<u>\$1,171,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,512,441</u>	<u>\$9,733,037</u>	

See notes to financial statements.

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

Statement of Cash Flows

Year Ended December 31, 2023

(with Summarized Comparative Information for the Year Ended December 31, 2022)

	2023			2022		
	Operating Fund	Capital Fund	Endowment Fund	Total	Total	Total
Cash flows from operating activities						
Increase (decrease) in net assets	\$ 95,487	\$ (250,214)	\$ 999,160	\$ 844,433		\$ 2,362,015
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities						
Depreciation and amortization	-	465,460	-	465,460		489,008
(Gain) loss on the disposal of fixed assets	-	57,980	-	57,980		(7,413,110)
Realized and unrealized (gain) loss on investments	-	(283,381)	(992,008)	(1,275,389)		2,669,701
Permanently restricted contributions	-	(1,100)	(6,669)	(7,769)		(24,783)
(Increase) decrease in assets						
Accounts receivable	9,187	-	-	9,187		114,577
Contributions receivable	(154,893)	710	(40,723)	(194,906)		200,064
Inventories	(60,786)	-	-	(60,786)		(40,395)
Deferred charges and other assets	23,145	-	-	23,145		(49,930)
Change in right of use asset	377,209	6,734	-	383,943		493,628
Increase (decrease) in liabilities						
Accounts payable	58,789	2,069	-	60,858		133,801
Accrued expenses	126,768	13,544	-	140,312		(8,986,627)
Custodial accounts	(22,450)	-	-	(22,450)		274,529
Deferred camp revenue	(2,958)	-	-	(2,958)		15,348
Deferred other revenue	(57,100)	-	-	(57,100)		(14,167)
Payments on operating lease obligations	(358,381)	(6,734)	-	(365,115)		(493,628)
Net cash provided by (used in) operating activities	34,017	5,068	(40,240)	(1,155)		(10,269,969)
Cash flows from investing activities						
Purchase of fixed assets, net of capital lease and vehicle financing obligations	-	(135,183)	-	(135,183)		(639,199)
Proceeds from sale of land	-	-	-	-		7,887,000
Purchase of investments	-	(276,867)	(792,349)	(1,069,216)		(1,730,088)
Proceeds from sale of investments	-	258,006	1,042,894	1,300,900		2,238,669
Net cash provided by (used in) investing activities	-	(154,044)	250,545	96,501		7,756,382
Cash flows from financing activities						
Interfund balances, net of transfers	1,960	-	(1,960)	-		-
Payments of finance lease and vehicles obligations	-	-	-	-		(6,542)
Proceeds from line of credit	-	-	-	-		1,400,000
Proceeds from note payable	-	-	-	-		1,200,000
Repayment of note payable	(110,000)	-	-	(110,000)		(120,000)
Permanently restricted contributions	-	1,100	6,669	7,769		24,783
Change in value of charitable remainder and perpetual trusts	-	-	(132,838)	(132,838)		242,904
Net cash provided by (used in) financing activities	(108,040)	1,100	(128,129)	(235,069)		2,741,145
Net increase (decrease) in cash and cash equivalents						
	(74,023)	(147,876)	82,176	(139,723)		227,558
Cash and cash equivalents, beginning of year	893,113	323,039	322,034	1,538,186		1,310,628
Cash and cash equivalents, end of year	\$ 819,090	\$ 175,163	\$ 404,210	\$ 1,398,463		\$ 1,538,186
Supplemental disclosure of cash flows information:						
Cash paid for interest						\$ 34,339

See notes to financial statements.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA
Notes to Financial Statements
December 31, 2023**

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 15 and 16) and liability insurance programs (see notes 15 and 18) as well as components of the Council’s technology, software and other items. The Council delivered the Scouting program to approximately 8,751 youth members in 2023. During 2024, effective for 2025, the National Council officially changed their name to Scouting America.

During 2023, the program service expense percentage to overall expenses was 75.9%. Program service expenses are those costs incurred to provide activities directly related to the charitable purpose of the Council. The Scouting program includes the following:

1. *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.
2. *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.
3. *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.
4. *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.
5. *Venturing* – Provides experience to help young men and women, ages 14 - or 13 with completion of the eighth 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.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 1 – Organization and nature of business (continued)

Nature of organization (continued)

6. *Learning for Life* – 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.

Families can choose to sign up their sons and daughters who are ages 5-10 as Cub Scouts. Chartered organizations may choose to sponsor a girl pack, a pack that consists of girl dens and boy dens, or 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 nycscouting.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:

- Operating fund – The 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, 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 restricted or designated for those items. Revenue and expenses related to the capital fundraising campaign are also included in the fund. During 2023, the Donor and the Board of the Council approved a transfer of \$38,958 to the Operating fund for operations.
- Endowment fund – The endowment fund is often used to account for 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.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

Basis of Presentation

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 improved the net asset classification and the related information presented in the financial statements and notes about the Council’s liquidity, financial performance, and cash flows.

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. 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, 2022, from which the summarized information was derived.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

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

Accounts receivable and credit losses

Accounts receivable consists primarily of noninterest-bearing amounts for Scout Shop rent and popcorn (product) sales and are reported at net realizable value if the amounts are due within one year. The Council determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions and a review of subsequent collections. No allowance for doubtful accounts was considered necessary as of December 31, 2023 and 2022. Accounts receivable balances are written off when deemed uncollectible.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

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 creditworthiness of the other parties, 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.

Amortization of the discounts is included in direct support on the statement of activities and changes in net assets. 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, 2023 and December 31, 2022, the Council has provided for an allowance for doubtful accounts totaling \$200,000 and \$395,000, respectively.

Inventory

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

Investments

Investments with readily determinable fair values are measured at fair value in the statement of financial position. Interest, dividends and 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.

Interfund loans

The Council records interfund balances on a single line in the current asset section of the statement of financial position.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

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.

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 of a significant value 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.

Construction in progress

Construction in progress is stated at cost and consists primarily of costs incurred in the construction of building and other improvements. No provision for depreciation is made on construction in progress until the assets are complete and placed into service.

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, 2023 and 2022.

Asset held for sale

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. During March 2024, the Council entered into an agreement to sell such land for a sale price of \$70,000.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

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.

Deferred revenue

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

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

The Council reports donor-restricted contributions as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished, including appropriation for expenditure of investment return from endowment funds) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

Revenue recognition (continued)

The Council records the following exchange transaction revenue in its statement of activities and changes in net assets for the years ending December 31, 2023 and 2022:

- **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, 2023 and 2022, no probable popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.
- **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.

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

**Notes to Financial Statements (continued)
December 31, 2023**

Note 2 – Summary of significant accounting policies (continued)

Revenue recognition (continued)

- 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.

Contribution revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome.

Unconditional contributions are recognized as revenue when received.

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

**Notes to Financial Statements (continued)
December 31, 2023**

Note 2 – Summary of significant accounting policies (continued)

Contribution revenue (continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributions of services and nonfinancial assets

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 and payroll taxes. The basis of allocation of these expenses is the result of a time study of staff performed every two 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.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

Advertising

Advertising costs are expensed when incurred. Advertising costs for 2023 and 2022 amounted to approximately \$9,100 and \$15,500, respectively.

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 \$382,000 and \$321,000 in 2023 and 2022, respectively, for specific assistance provided to certain scouts.

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, which may, at times, exceed the federally insured limits set by the Federal Deposit Insurance Corporation. 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 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, 2023.

Contributions receivable consist primarily of amounts due in connection with various Council events and amounts pledged by the Council's donors. The Council periodically performs credit evaluations of its donors' financial condition and provides for potentially uncollectible pledges 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.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

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 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 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.

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.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

Fair value measurements (continued)

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 tables provide fair value measurement information for financial assets measured at fair value on a recurring basis as of December 31, 2023 and 2022:

<u>Description</u>	<u>2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Domestic – Fixed Income	\$ 4,143,596	\$ -	\$ -	\$ 4,143,596
International – Fixed Income	390,640	-	-	390,640
Domestic – Equities	3,944,930	-	-	3,944,930
International – Equities	261,637	-	-	261,637
Government obligations	-	273,217	-	273,217
Commodity – real return	-	815,199	-	815,199
Equities				
Domestic	1,947,695	-	-	1,947,695
International	243,518	-	-	243,518
Money market funds	<u>796,874</u>	<u>-</u>	<u>-</u>	<u>796,874</u>
Total investments	<u>\$ 11,728,890</u>	<u>\$ 1,088,416</u>	<u>\$ -</u>	<u>\$ 12,817,306</u>
<u>Description</u>	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</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, 2023

Note 2 – Summary of significant accounting policies (continued)

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, 2023 and 2022.

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, 2023 and 2022, the Council incurred no penalties or interest. The Council's Federal Return of Organizations Exempt from Income Tax (Forms 990) for 2020, 2021 and 2022 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 2023 tax return had not yet been filed.

Subsequent events

The Council considered subsequent events through May 22, 2024, the date the financial statements were available to be issued.

Accounting Pronouncements Adopted

Effective January 1, 2023, the Council adopted the provisions of FASB ASC Topic 326, Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13)—This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, net investments in leases (for lessors with sales-type or direct financing leases), and certain off-balance sheet credit exposures. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events.

FASB Topic 842 (ASU 2016-02), Leases. ASC 842 requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control 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.

Leases (Topic 842) Discount Rate for Lessees That Are Not Public Business Entities (ASU-2021-09)—Topic 842 currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this Update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 2 – Summary of significant accounting policies (continued)

Accounting Pronouncements Adopted (continued)

An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election.

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 year ended December 31, 2023.

Note 3 - Liquidity and availability of financial assets

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>2023</u>	<u>2022</u>
Cash – Operating Fund	\$ 819,090	\$ 893,113
Accounts receivable - Operating Fund	5,560	14,747
Contributions receivable - Operating Fund	<u>706,470</u>	<u>551,577</u>
Total financial assets as of year end	1,531,120	1,459,437
Appropriation from quasi-endowment for general expenditures in subsequent year	<u>659,316</u>	<u>650,274</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 2,190,436</u>	<u>\$ 2,109,711</u>

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 3 - Liquidity and availability of financial assets (continued)

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, 2023. Appropriations of \$659,316 and \$650,274 from the quasi-endowment will be available within the next 12 months as of December 31, 2023 and 2022, 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, 2023 and could be drawn upon if necessary. Additionally, as of December 31, 2023, the Council has a quasi-endowment of \$4,311,019. 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.

Note 4 – Fund balance transfers

Certain cash transfers between funds were made during the year to properly report all funds on a basis consistent with executive board designations and the Council's accounting policies.

Note 5 – Investments

Investments, at fair value, at December 31, 2023 and 2022 are comprised of the following:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 796,874	\$ 1,496,824
Mutual funds	9,829,219	8,106,544
Equities	<u>2,191,213</u>	<u>2,170,233</u>
Total investments, at fair value	<u>\$12,817,306</u>	<u>\$11,773,601</u>

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 5 – Investments (continued)

Investment revenue for the years ended December 31, 2023 and 2022 has been reported in the net assets as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividend revenue	\$ 488,663	\$ 319,919
Realized and unrealized gain (loss)	1,275,389	(2,669,701)
Investment fees	<u>(70,101)</u>	<u>(77,157)</u>
Total return on investments	1,693,951	(2,426,939)
Investment return authorized for current operations (see note 12)	<u>(488,436)</u>	<u>(481,931)</u>
Excess of investment return over authorized allocation	<u>\$ 1,205,515</u>	<u>\$(2,908,870)</u>

The above investment return is classified within net assets without donor restrictions in the 2023 and 2022 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 \$1,074,406 and \$941,568 at December 31, 2023 and 2022, respectively. The Council's interests in these charitable remainder and perpetual trusts at December 31, 2023 and 2022 are measured at the fair value of the underlying investments, which consist of common stock, corporate debt, exchange traded funds, mutual funds, and money market funds, which are all deemed to be Level 1 assets within the fair value hierarchy. The charitable remainder and perpetual trusts also invests in hedge funds which are deemed to be Level 2 assets within the fair value hierarchy.

Note 6 – Contributions receivable

Contributions receivable, at December 31, 2023 and 2022, are all expected to be collected within one year of the statement of financial position date.

**GREATER NEW YORK COUNCILS,
BOY SCOUTS OF AMERICA**
Notes to Financial Statements (continued)
December 31, 2023

Note 7 – Fixed assets, net

Fixed assets, net consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Camp facilities:		
Permanent ways and structures	\$ 13,755,067	\$ 13,726,522
Equipment and machinery	1,889,018	1,874,052
Land improvements	2,372,281	2,372,281
Land	630,948	630,948
Vehicles	486,401	486,401
Construction in progress	44,810	-
Total camp facilities	19,178,525	19,090,204
Less: accumulated depreciation	<u>(14,855,852)</u>	<u>(14,530,261)</u>
Total camp facilities, net	<u>4,322,673</u>	<u>4,559,943</u>
Council office:		
Furniture, fixtures and equipment	457,434	1,517,905
Leasehold improvements	-	266,358
Vehicles	55,700	55,700
Total Council office	513,134	1,839,963
Less: accumulated depreciation and amortization	<u>(467,449)</u>	<u>(1,643,291)</u>
Total Council office, net	<u>45,685</u>	<u>196,672</u>
Total fixed assets, net	<u>\$ 4,368,358</u>	<u>\$ 4,756,615</u>

During 2023, the Council disposed of fixed assets with an original cost basis of \$1,341,829 and accumulated depreciation of \$1,283,849 resulting in a loss on disposal of \$57,980, which is reflected in the capital fund on the statement of activities.

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.

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 conservation easement on a portion of this property during 2024.

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Notes to Financial Statements (continued)
December 31, 2023

Note 8 – Line of credit

The Council has available a \$2,100,000 line of credit maturing on December 31, 2024, which the Council intends to renew. 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, 2023, the Council had \$1,900,000 outstanding borrowings under the line subject to an interest rate of 6.43%.

Note 9 – 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Contributions	\$ 3,670,242	\$ 2,033,254
Special event revenue	<u>132,462</u>	<u>438,519</u>
Gross special fundraising events	<u>\$ 3,802,704</u>	<u>\$ 2,471,773</u>

Note 10 – 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 2023 and 2022, the Council received \$416,366 and \$241,243, respectively, which is reflected on the statement of activities. The Council expects to receive additional credits totaling approximately \$462,000 which will be reflected as revenue when received.

Note 11 – Operating lease obligations

Office space lease agreements

During November 2023, the Council entered into a lease agreement for office space. The lease agreement commenced on December 11, 2023, and will terminate on June 11, 2030. The Council will receive six months’ free rent and the monthly fixed rent payments shall commence June 2024 (the “Rent Commencement Date”). The lease requires an annual base rent of \$270,732 with an escalating increase of 2.5% on the 2nd anniversary of the Rent Commencement Date and each anniversary of the Rent Commencement Date thereafter. In connection with the lease, the Council has paid a security deposit totaling \$90,244. The security deposit shall be increased on the second anniversary of the Rent Commencement Date and each anniversary of the Rent Commencement Date thereafter to equal four monthly installments of fixed rent at the then current rate of fixed rent.

**GREATER NEW YORK COUNCILS,
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**Notes to Financial Statements (continued)
December 31, 2023**

Note 11 – Operating lease obligations (continued)

Equipment leases

The Council also leases office equipment under the terms of several operating leases. The leases expire at various times through 2025.

The total future minimum lease commitments are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 155,195
2025	239,515
2026	244,949
2027	262,007
2028	267,541
2029 and thereafter	<u>390,620</u>
Total	<u>\$1,559,827</u>

Lease cost for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Operating lease costs	\$ 383,943	\$ 493,628

Cash flow items for the year ended December 31:

	<u>2023</u>
Right-of-use assets obtained in exchange for new lease liabilities Operating leases	\$ 1,538,630

Weighted-average information as of December 31:

	<u>2023</u>	<u>2022</u>
Weighted-average remaining operating lease in years:	6.2 years	1.5 years
Weighted-average interest rate for operating leases	3.4%	2.1%

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December 31, 2023

Note 12 – Commitments

Promissory notes

During November 2018, the Council borrowed \$425,000 under the terms of a promissory note (the “Note”). The Note bore no interest and required 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 was due and payable. During December 2020, the lender agreed to allow the Council to suspend the regular monthly payments due under the Note through October 2021 and extend the maturity date to November 2023. The Note was paid in full during November 2023.

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 1.00% to 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, 2023, the full amount of the Notes remained outstanding. The Council has finalized amendments to the Promissory Note agreements to extend the final maturity of the Notes to June 30, 2025.

Note 13 – Net assets with donor restrictions

Substantially all the donor restrictions on net assets at the end of 2023 and 2022 are related to funds raised through the ongoing capital and endowment campaigns to help prepare the Council for future Scouting needs.

Net assets with temporary donor restrictions are purpose-restricted at December 31, 2023 and 2022. The net assets released from donor restrictions during 2023 and 2022 were used to fund the programs described in note 1 to the financial statements. Net assets with perpetual donor restrictions are included in the general endowment at December 31, 2023 and 2022 (see note 17).

Note 14 – Contributions of services and nonfinancial assets

The Council receives donated services and materials from diverse groups to fulfill its mission. For the years ended December 31, 2023 and 2022, donated services recorded in the financial statements are as follows:

<u>Years ended December 31:</u>	<u>2023</u>	<u>2022</u>
Legal fees	\$ 433,812	\$ 427,311

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

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Notes to Financial Statements (continued)
December 31, 2023

Note 15 – 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 \$1,448,261 and \$1,013,071 for the years ended December 31, 2023 and 2022, respectively. The accounts payable balance includes payables to the National Council of \$40,756 as of December 31, 2023.

Note 16 – Employee benefit plans

BSA retirement program – employer contributions

Local councils contributed 12% of employee compensation to the BSA retirement program. Local councils are invoiced by the National Council on a monthly basis for the difference between the 12% and the employer contributions to the BSA Matching Savings Plan (see below). Retirement program expense (excluding the contributions made by employees) was approximately \$320,000 and \$277,000 in 2023 and 2022, respectively, and covered current service cost.

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 3 percent of each employee's gross pay. The Council contributed approximately \$109,000 and \$70,000, respectively, to the BSA Match Savings Plan in 2023 and 2022.

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, 2023 and 2022, the Council remitted approximately \$225,000 and \$229,000, respectively, on behalf of its employees to the National Council related to the health care plan.

**GREATER NEW YORK COUNCILS,
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Notes to Financial Statements (continued)
December 31, 2023

Note 16 – Employee benefit plans (continued)

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, 2023 and 2022, the Council remitted approximately \$51,000 and \$57,000, respectively, on behalf of its employees to the plans.

Note 17 – Endowment

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's Board of Directors has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the original gift amount of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as net assets with perpetual donor restrictions: (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in 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. In accordance with NYPMIFA, 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 policy of the Council

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Notes to Financial Statements (continued)
December 31, 2023

Note 17 – Endowment (continued)

Return objectives and risk parameters

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor- restricted funds that the Council must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that it will earn a reasonable percent of the original principal, above the trailing three-year average of the Consumer Price Index. Asset allocations are targeted to produce expected returns consistent with this target using long term historical returns of asset classes as a guide. Actual returns in any given year may vary from this amount.

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 that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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, 2023 and 2022, \$488,436 and \$481,931, respectively, were used as the authorized investment return allocation for operations. In addition, in 2023 and 2022 an additional \$150,000 and \$160,000, 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, 2023, the endowment net asset composition by type of fund is as follows:

	<u>Without Donor Restrictions</u>	<u>Temporary Donor Restrictions</u>	<u>Perpetual Donor Restrictions</u>	<u>Total</u>
Donor-restricted funds	\$ -	\$ 1,205,690	\$ 9,430,437	\$10,636,127
Council-designated funds	<u>4,311,019</u>	<u>-</u>	<u>-</u>	<u>4,311,019</u>
Total funds	<u>\$ 4,311,019</u>	<u>\$ 1,205,690</u>	<u>\$ 9,430,437</u>	<u>\$14,947,146</u>

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

Note 17 – Endowment (continued)

Changes in the Council's board designated, temporary and perpetual donor restricted net assets for the years ended December 31, 2022 and 2023 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, 2021	\$ 1,573,611	\$ 3,356,614	\$ 4,930,225	\$ 1,745,579	\$ 1,104,994	\$ 1,184,472	\$ 7,218,485	\$ 9,507,951
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	-	(242,904)	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	\$ 2,402,208	\$ 918,225	\$ 3,320,433	\$ 1,218,942	\$ 1,104,994	\$ 941,568	\$ 7,243,268	\$ 9,289,830
Investment return:								
Investment revenue – net	390,788	1,303,163	1,693,951	-	-	-	-	-
Investment return authorized for current operation	-	(488,436)	(488,436)	-	-	-	-	-
Total investment return	390,788	814,727	1,205,515	-	-	-	-	-
Contributions and other	13,986	92,757	106,743	111,748	-	132,838	7,769	140,607
Net assets released from restrictions	-	-	-	(125,000)	-	-	-	-
Appropriation of endowment for expenditure	(271,831)	(47,881)	(319,712)	-	-	-	-	-
Interfund transfer	-	(1,960)	(1,960)	-	-	-	-	-
Net assets at December 31, 2023	\$ 2,535,151	\$ 1,775,868	\$ 4,311,019	\$ 1,205,690	\$ 1,104,994	\$ 1,074,406	\$ 7,251,037	\$ 9,430,437

The total Council's designated net assets in the Capital Fund excludes \$4,426,338 and \$4,756,615 in 2023 and 2022, respectively, representing fixed assets and all related activity.

**GREATER NEW YORK COUNCILS,
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Notes to Financial Statements (continued)
December 31, 2023

Note 18 - 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 had 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.

The Council is insured through the BSA General Liability Insurance Program (“GLIP”), which covers the National Council and all local councils on a worldwide basis. This program, which began in 1978, is composed of primary insurance and excess liability insurance provided by a number of companies. GLIP provides primary coverage with respect to claims arising out of Official Scouting Activities and responds to allegations of negligent actions by third parties that result in personal injury or property damage claims. The Council was named as a defendant or was made aware of claims alleging sexual abuse against it. A number of those claims were not formally filed against the Council and were asserted in claims forms in connection with the National Council’s bankruptcy.

On February 18, 2020, the National Council filed for relief under Chapter 11 of the United States Bankruptcy Code to resolve all sexual abuse litigation against the National Council and against all local councils, including the Council, that arose prior to the date of filing. On September 8, 2022, the Bankruptcy Court entered an order confirming the Third Modified Fifth Amended Chapter 11 Plan of Reorganization, which required all local councils, including the Council, to make a substantial contribution to the Settlement Trust in exchange for such protection from sexual abuse claims. At that time, the Council committed to contribute \$9,000,000 to the Settlement Trust in accordance with the Plan of Reorganization. In return for the Council’s contribution to the Settlement Trust, the Plan channels to the Settlement Trust abuse claims that arose prior to the filing date and the Council has no further liability for those claims. The National Council emerged from bankruptcy on April 19, 2023.

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.

**GREATER NEW YORK COUNCILS,
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Notes to Financial Statements (continued)
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Note 18 - Litigation and contingencies (continued)

Litigation and bankruptcy (continued)

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.