

WASHINGTON CROSSING COUNCIL,  
BOY SCOUTS OF AMERICA

FINANCIAL STATEMENTS

DECEMBER 31, 2023 and 2022

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Contents

	<b><u>Page</u></b>
<b>Independent Auditors' Report</b>	1 - 2
<b>Financial Statements</b>	
Statements of financial position as of December 31, 2023 and 2022	3
Statements of activities and changes in net assets for the years ended December 31, 2023 and 2022	4 - 5
Statements of functional expenses for the years ended December 31, 2023 and 2022	6
Statements of cash flows for the years ended December 31, 2023 and 2022	7
Notes to financial statements	8 - 27

## **INDEPENDENT AUDITORS' REPORT**

To the Council Executive Board of  
Washington Crossing Council, Boy Scouts of America

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Washington Crossing Council, Boy Scouts of America (the "Council"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Washington Crossing Council, Boy Scouts of America as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' 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 audits. 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 these 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 for one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 control. 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*EisnerAmper LLP*

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
October 23, 2024



# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Statements of Financial Position

	December 31,							
	2023				2022			
	Operating Fund	Capital Fund	Endowment Fund	Total	Operating Fund	Capital Fund	Endowment Fund	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 656,788	\$ 261,648	\$ 11,500	\$ 929,936	\$ 652,361	\$ 429,777	\$ 2,000	\$ 1,084,138
Short-term investments	3,691	4,252	17,955	25,898	3,424	4,252	59,475	67,151
Accounts receivable	5,748	13	-	5,761	3,533	190	-	3,723
Interfund loans	-	-	-	-	46,711	-	(46,711)	-
Inventories	165,111	-	-	165,111	177,916	-	-	177,916
Prepaid expenses	61,727	-	-	61,727	75,782	-	-	75,782
Pledges receivable, net	-	107,500	-	107,500	295	-	-	295
Land, buildings and equipment, net	-	2,716,131	-	2,716,131	-	2,582,616	-	2,582,616
Long-term investments	63,021	109,021	1,868,335	2,040,377	13,462	109,883	1,779,926	1,903,271
Beneficial interest in split interest agreement	-	-	99,101	99,101	-	-	102,572	102,572
<b>Total assets</b>	<b>\$ 956,086</b>	<b>\$ 3,198,565</b>	<b>\$ 1,996,891</b>	<b>\$ 6,151,542</b>	<b>\$ 973,484</b>	<b>\$ 3,126,718</b>	<b>\$ 1,897,262</b>	<b>\$ 5,997,464</b>
<b>LIABILITIES</b>								
Accounts payable and other current liabilities	\$ 70,342	\$ -	\$ -	\$ 70,342	\$ 51,936	\$ -	\$ -	\$ 51,936
Payroll taxes withheld and accrued	2,653	-	-	2,653	-	-	-	-
Custodian accounts	397,000	-	-	397,000	319,548	-	-	319,548
Deferred activity income	990	-	-	990	111,298	-	-	111,298
Deferred camp income	19,544	-	-	19,544	21,833	-	-	21,833
Deferred other income	183,441	-	-	183,441	175,338	-	-	175,338
Advances on line-of-credit	-	330,000	-	330,000	-	500,000	-	500,000
<b>Total liabilities</b>	<b>673,970</b>	<b>330,000</b>	<b>-</b>	<b>1,003,970</b>	<b>679,953</b>	<b>500,000</b>	<b>-</b>	<b>1,179,953</b>
Commitments								
<b>NET ASSETS</b>								
Without donor restrictions	164,457	2,671,052	368,509	3,204,018	148,592	2,404,952	369,288	2,922,832
With donor restrictions	117,659	197,513	1,628,382	1,943,554	144,939	221,766	1,527,974	1,894,679
<b>Total net assets</b>	<b>282,116</b>	<b>2,868,565</b>	<b>1,996,891</b>	<b>5,147,572</b>	<b>293,531</b>	<b>2,626,718</b>	<b>1,897,262</b>	<b>4,817,511</b>
	<b>\$ 956,086</b>	<b>\$ 3,198,565</b>	<b>\$ 1,996,891</b>	<b>\$ 6,151,542</b>	<b>\$ 973,484</b>	<b>\$ 3,126,718</b>	<b>\$ 1,897,262</b>	<b>\$ 5,997,464</b>

See notes to financial statements.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Statements of Activities and Changes in Net Assets

	Year Ended December 31,							
	2023				2022			
	Operating Fund	Capital Fund	Endowment Fund	Total	Operating Fund	Capital Fund	Endowment Fund	Total
<b>Change in net assets without donor restrictions:</b>								
Support and revenue:								
Direct support:								
Sustaining membership, net	\$ 271,097	\$ -	\$ -	\$ 271,097	\$ 326,461	\$ -	\$ -	\$ 326,461
Special events	256,634	-	-	256,634	190,923	-	-	190,923
Costs of direct benefit	(59,228)	-	-	(59,228)	(48,819)	-	-	(48,819)
Foundations, trusts and grants	11,956	-	-	11,956	20,475	-	-	20,475
Legacies and bequests	-	-	-	-	8,222	-	-	8,222
Other direct	30,444	168,561	-	199,005	21,592	42,500	-	64,092
<b>Total direct support</b>	<b>510,903</b>	<b>168,561</b>	<b>-</b>	<b>679,464</b>	<b>518,854</b>	<b>42,500</b>	<b>-</b>	<b>561,354</b>
Indirect support:								
United Way	2,961	-	-	2,961	2,155	-	-	2,155
<b>Total indirect support</b>	<b>2,961</b>	<b>-</b>	<b>-</b>	<b>2,961</b>	<b>2,155</b>	<b>-</b>	<b>-</b>	<b>2,155</b>
Revenue:								
Supplies	248,968	-	-	248,968	275,967	-	-	275,967
Cost of supplies	(146,495)	-	-	(146,495)	(156,044)	-	-	(156,044)
Camping	1,170,202	-	-	1,170,202	971,536	-	-	971,536
Activities	255,145	-	-	255,145	70,023	-	-	70,023
Other revenue	372,492	-	-	372,492	424,101	8,740	-	432,841
Product sales	264,651	-	-	264,651	183,436	-	-	183,436
Cost of product	(87,198)	-	-	(87,198)	(49,289)	-	-	(49,289)
Sales commissions	(90,971)	-	-	(90,971)	(69,294)	-	-	(69,294)
Investment income (loss), net	59,137	11,853	34,149	105,139	51,898	4,683	(73,638)	(17,057)
<b>Total revenue</b>	<b>2,045,931</b>	<b>11,853</b>	<b>34,149</b>	<b>2,091,933</b>	<b>1,702,334</b>	<b>13,423</b>	<b>(73,638)</b>	<b>1,642,119</b>
Net assets released from restrictions	35,583	145,017	-	180,600	19,869	25,706	25,236	70,811
<b>Total support and revenue</b>	<b>2,595,378</b>	<b>325,431</b>	<b>34,149</b>	<b>2,954,958</b>	<b>2,243,212</b>	<b>81,629</b>	<b>(48,402)</b>	<b>2,276,439</b>
Expenses:								
Functional expenses:								
Program services:								
Scoutcraft	1,232,850	178,935	-	1,411,785	1,027,206	254,069	-	1,281,275
Camping	1,017,594	-	-	1,017,594	1,010,930	-	-	1,010,930
Support services:								
Management and general	47,791	1,689	-	49,480	43,202	356	-	43,558
Fundraising	143,819	3,800	-	147,619	123,631	805	-	124,436
	2,442,054	184,424	-	2,626,478	2,204,969	255,230	-	2,460,199
Charter and National Service Fee	47,294	-	-	47,294	38,906	-	-	38,906
Contribution to settlement trust	-	-	-	-	-	-	1,390,180	1,390,180
<b>Total expenses</b>	<b>2,489,348</b>	<b>184,424</b>	<b>-</b>	<b>2,673,772</b>	<b>2,243,875</b>	<b>255,230</b>	<b>1,390,180</b>	<b>3,889,285</b>
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>106,030</b>	<b>141,007</b>	<b>34,149</b>	<b>281,186</b>	<b>(663)</b>	<b>(173,601)</b>	<b>(1,438,582)</b>	<b>(1,612,846)</b>

See notes to financial statements.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Statements of Activities and Changes in Net Assets (continued)

	Year Ended December 31,							
	2023				2022			
	Operating Fund	Capital Fund	Endowment Fund	Total	Operating Fund	Capital Fund	Endowment Fund	Total
<b>Change in net assets with donor restrictions:</b>								
Direct support:								
Foundations, trusts and grants	-	1,464	-	1,464	-	-	-	-
Contributions	-	-	9,530	9,530	-	-	11,000	11,000
Other direct	8,000	119,300	-	127,300	46,275	161,393	-	207,668
<b>Total direct support</b>	<b>8,000</b>	<b>120,764</b>	<b>9,530</b>	<b>138,294</b>	<b>46,275</b>	<b>161,393</b>	<b>11,000</b>	<b>218,668</b>
Investment income (loss), net	303	-	90,878	91,181	(534)	-	(266,666)	(267,200)
<b>Net assets released from restrictions</b>	<b>(35,583)</b>	<b>(145,017)</b>	<b>-</b>	<b>(180,600)</b>	<b>(19,869)</b>	<b>(25,706)</b>	<b>(25,236)</b>	<b>(70,811)</b>
<b>Increase (decrease) in net assets with donor restrictions</b>	<b>(27,280)</b>	<b>(24,253)</b>	<b>100,408</b>	<b>48,875</b>	<b>25,872</b>	<b>135,687</b>	<b>(280,902)</b>	<b>(119,343)</b>
<b>Increase (decrease) in total net assets</b>	<b>78,750</b>	<b>116,754</b>	<b>134,557</b>	<b>330,061</b>	<b>25,209</b>	<b>(37,914)</b>	<b>(1,719,484)</b>	<b>(1,732,189)</b>
<b>Net assets at beginning of year:</b>								
Net assets without donor restrictions	148,592	2,404,952	369,288	2,922,832	110,453	2,581,053	1,844,172	4,535,678
Net assets with donor restrictions	144,939	221,766	1,527,974	1,894,679	119,067	86,079	1,808,876	2,014,022
<b>Total net assets at beginning of year</b>	<b>293,531</b>	<b>2,626,718</b>	<b>1,897,262</b>	<b>4,817,511</b>	<b>229,520</b>	<b>2,667,132</b>	<b>3,653,048</b>	<b>6,549,700</b>
<b>Board authorized transfers:</b>								
Net assets without donor restrictions	(90,165)	125,093	(34,928)	-	38,802	(2,500)	(36,302)	-
<b>Net assets at end of year:</b>								
Net assets without donor restrictions	164,457	2,671,052	368,509	3,204,018	148,592	2,404,952	369,288	2,922,832
Net assets with donor restrictions	117,659	197,513	1,628,382	1,943,554	144,939	221,766	1,527,974	1,894,679
<b>Total net assets at end of year</b>	<b>\$ 282,116</b>	<b>\$ 2,868,565</b>	<b>\$ 1,996,891</b>	<b>\$ 5,147,572</b>	<b>\$ 293,531</b>	<b>\$ 2,626,718</b>	<b>\$ 1,897,262</b>	<b>\$ 4,817,511</b>

See notes to financial statements.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Statements of Functional Expenses

	Year Ended December 31,											
	2023			2022			2023			2022		
	Program Services		Support Services	Program Services		Support Services	Program Services		Support Services	Program Services		Support Services
Scoutcraft	Camping	Total Program	Management and General	Fundraising	Total	Scoutcraft	Camping	Total Program	Management and General	Fundraising	Total	
<b>Operating Fund expenses:</b>												
Employee compensation:												
Salaries	\$ 697,448	\$ 296,128	\$ 993,576	\$ 31,860	\$ 71,684	\$ 1,097,120	\$ 633,544	\$ 307,984	\$ 941,528	\$ 28,876	\$ 64,970	\$ 1,035,374
Employee benefits	137,481	31,625	169,106	6,321	14,222	189,649	134,755	40,339	175,094	6,196	13,940	195,230
Payroll taxes	51,797	28,051	79,848	2,381	5,358	87,587	45,795	29,119	74,914	2,106	4,737	81,757
Employee related expenses	642	3,489	4,131	22	49	4,202	14,054	2,799	16,853	644	1,448	18,945
<b>Total employee compensation</b>	<b>887,368</b>	<b>359,293</b>	<b>1,246,661</b>	<b>40,584</b>	<b>91,313</b>	<b>1,378,558</b>	<b>828,148</b>	<b>380,241</b>	<b>1,208,389</b>	<b>37,822</b>	<b>85,095</b>	<b>1,331,306</b>
Other expenses:												
Professional fees	45,274	10,414	55,688	1,988	12,329	70,005	34,630	4,117	38,747	1,466	9,205	49,418
Supplies	64,507	371,316	435,823	314	1,764	437,901	32,611	399,901	432,512	266	3,712	436,490
Other expenses	16,499	9,737	26,236	744	6,445	33,425	11,880	10,271	22,151	963	5,385	28,499
Telephone	8,580	8,254	16,834	287	646	17,767	9,800	8,304	18,104	253	635	18,992
Postage and shipping	5,970	1,135	7,105	363	1,788	9,256	3,168	991	4,159	193	1,962	6,314
Printing	3,279	1,555	4,834	259	1,172	6,265	3,045	1,469	4,514	166	4,962	9,642
Occupancy	24,156	147,860	172,016	1,642	4,231	177,889	32,605	102,097	134,702	919	3,482	139,103
Travel	41,428	8,707	50,135	350	2,619	53,104	18,600	7,619	26,219	269	1,358	27,846
Conference and meetings	83,241	4,838	88,079	265	2,113	90,457	15,249	5,965	21,214	138	574	21,926
Insurance	15,140	67,371	82,511	405	911	83,827	15,184	61,408	76,592	413	928	77,933
Repairs and maintenance	16,772	25,746	42,518	520	1,819	44,857	6,287	23,696	29,983	287	646	30,916
Recognition	17,413	1,368	18,781	70	16,669	35,520	15,037	3,801	18,838	47	5,687	24,572
Assistance to individual	3,223	-	3,223	-	-	3,223	962	1,050	2,012	-	-	2,012
<b>Total other expenses</b>	<b>345,482</b>	<b>658,301</b>	<b>1,003,783</b>	<b>7,207</b>	<b>52,506</b>	<b>1,063,496</b>	<b>199,058</b>	<b>630,689</b>	<b>829,747</b>	<b>5,380</b>	<b>38,536</b>	<b>873,663</b>
<b>Total operating fund expenses</b>	<b>1,232,850</b>	<b>1,017,594</b>	<b>2,250,444</b>	<b>47,791</b>	<b>143,819</b>	<b>2,442,054</b>	<b>1,027,206</b>	<b>1,010,930</b>	<b>2,038,136</b>	<b>43,202</b>	<b>123,631</b>	<b>2,204,969</b>
<b>Capital Fund expenses:</b>												
Depreciation	96,467	-	96,467	296	666	97,429	83,580	-	83,580	220	495	84,295
Supplies	439	-	439	-	-	439	-	-	-	-	-	-
Interest	30,291	-	30,291	1,393	3,134	34,818	14,618	-	14,618	136	310	15,064
Occupancy	50,351	-	50,351	-	-	50,351	75,719	-	75,719	-	-	75,719
Professional fees	1,387	-	1,387	-	-	1,387	77,615	-	77,615	-	-	77,615
Recognition	-	-	-	-	-	-	480	-	480	-	-	480
Repairs and maintenance	-	-	-	-	-	-	2,057	-	2,057	-	-	2,057
<b>Total capital fund expenses</b>	<b>178,935</b>	<b>-</b>	<b>178,935</b>	<b>1,689</b>	<b>3,800</b>	<b>184,424</b>	<b>254,069</b>	<b>-</b>	<b>254,069</b>	<b>356</b>	<b>805</b>	<b>255,230</b>
<b>Cost of direct benefit to donors:</b>	<b>1,411,785</b>	<b>1,017,594</b>	<b>2,429,379</b>	<b>49,480</b>	<b>147,619</b>	<b>2,626,478</b>	<b>1,281,275</b>	<b>1,010,930</b>	<b>2,292,205</b>	<b>43,558</b>	<b>124,436</b>	<b>2,460,199</b>
Food and beverage	-	-	-	-	20,892	20,892	-	-	-	-	14,988	14,988
Facilities rental	-	-	-	-	30,487	30,487	-	-	-	-	23,974	23,974
Recognition	-	-	-	-	-	-	-	-	-	-	2,049	2,049
Other direct benefit to donors	-	-	-	-	7,849	7,849	-	-	-	-	7,808	7,808
<b>Cost of supplies</b>	<b>146,495</b>	<b>-</b>	<b>146,495</b>	<b>-</b>	<b>-</b>	<b>146,495</b>	<b>156,044</b>	<b>-</b>	<b>156,044</b>	<b>-</b>	<b>-</b>	<b>156,044</b>
<b>Cost of product</b>	<b>87,198</b>	<b>-</b>	<b>87,198</b>	<b>-</b>	<b>-</b>	<b>87,198</b>	<b>49,289</b>	<b>-</b>	<b>49,289</b>	<b>-</b>	<b>-</b>	<b>49,289</b>
<b>Charter and National Service fee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,294</b>	<b>-</b>	<b>47,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,906</b>	<b>-</b>	<b>38,906</b>
<b>Sales commissions</b>	<b>90,971</b>	<b>-</b>	<b>90,971</b>	<b>-</b>	<b>-</b>	<b>90,971</b>	<b>69,294</b>	<b>-</b>	<b>69,294</b>	<b>-</b>	<b>-</b>	<b>69,294</b>
<b>Total functional expenses</b>	<b>\$ 1,736,449</b>	<b>\$ 1,017,594</b>	<b>\$ 2,754,043</b>	<b>\$ 96,774</b>	<b>\$ 206,847</b>	<b>\$ 3,057,664</b>	<b>\$ 1,555,902</b>	<b>\$ 1,010,930</b>	<b>\$ 2,566,832</b>	<b>\$ 82,464</b>	<b>\$ 173,255</b>	<b>\$ 2,822,551</b>

See notes to financial statements.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Statements of Cash Flows

	Year Ended December 31,				2022
	2023			Total	
	Operating Fund	Capital Fund	Endowment Fund		
					Total
<b>Cash flows from operating activities:</b>					
Increase (decrease) in total net assets	\$ 78,750	\$ 116,754	\$ 134,557	\$ 330,061	\$ (1,732,189)
Adjustments to reconcile increase (decrease) in total net assets to net cash provided by (used in) operating activities:					
Depreciation	-	97,429	-	97,429	84,295
Loss on disposal of asset	-	5,517	-	5,517	-
Bad debt expense	-	-	-	-	750
Net realized and unrealized (gain) loss on investments	(256)	(5,960)	(147,965)	(154,181)	319,660
Change in value of split interest agreement	-	-	3,471	3,471	6,252
Transfers	(90,165)	125,093	(34,928)	-	-
Contribution restricted for endowment	-	-	(9,530)	(9,530)	(11,000)
(Increase) decrease in assets:					
Accounts receivable	(2,215)	177	-	(2,038)	(2,053)
Inventories	12,805	-	-	12,805	(23,815)
Prepaid expenses	14,055	-	-	14,055	(21,769)
Pledges receivable	295	(107,500)	-	(107,205)	143
Increase (decrease) in liabilities:					
Accounts payable and other current liabilities	18,406	-	-	18,406	(32,627)
Payroll taxes withheld and accrued	2,653	-	-	2,653	(439)
Custodian accounts	77,452	-	-	77,452	(160,087)
Deferred activity income	(110,308)	-	-	(110,308)	111,298
Deferred camp income	(2,289)	-	-	(2,289)	4,680
Deferred other income	8,103	-	-	8,103	43,009
Net cash provided by (used in) operating activities	<u>7,286</u>	<u>231,510</u>	<u>(54,395)</u>	<u>184,401</u>	<u>(1,413,892)</u>
<b>Cash flows from investing activities:</b>					
Purchases of land, buildings and equipment	-	(236,461)	-	(236,461)	(599,542)
Proceeds from sale of investments	-	25,329	525,195	550,524	2,000,644
Purchases of investments	(49,570)	(18,507)	(424,119)	(492,196)	(1,925,227)
Net cash (used in) provided by investing activities	<u>(49,570)</u>	<u>(229,639)</u>	<u>101,076</u>	<u>(178,133)</u>	<u>(524,125)</u>
<b>Cash flows from financing activities:</b>					
Pledges receivable - endowment	-	-	9,530	9,530	11,000
Advances on line-of-credit	-	(170,000)	-	(170,000)	500,000
Proceeds from interfund loans	-	-	-	-	46,711
Repayment of interfund loans	46,711	-	(46,711)	-	-
Curtailments of interfund loans	-	-	-	-	(46,711)
Net cash provided by (used in) financing activities	<u>46,711</u>	<u>(170,000)</u>	<u>(37,181)</u>	<u>(160,470)</u>	<u>511,000</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>4,427</u>	<u>(168,129)</u>	<u>9,500</u>	<u>(154,202)</u>	<u>(1,427,017)</u>
Cash and cash equivalents at beginning of year	<u>652,361</u>	<u>429,777</u>	<u>2,000</u>	<u>1,084,138</u>	<u>2,511,155</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 656,788</u>	<u>\$ 261,648</u>	<u>\$ 11,500</u>	<u>\$ 929,936</u>	<u>\$ 1,084,138</u>
<b>Supplemental disclosure of cash flow information:</b>					
Write-off of fully depreciated assets	<u>\$ -</u>	<u>\$ 138,017</u>	<u>\$ -</u>	<u>\$ 138,017</u>	<u>\$ 12,154</u>

See notes to financial statements.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE A - NATURE OF THE ORGANIZATION

Washington Crossing Council, Boy Scouts of America ("Council") is located in Doylestown, Pennsylvania and provides services to young men and women ages 5 to 20 in Bucks County, Pennsylvania, and in Hunterdon County and the Greater Mercer Area in New Jersey. Council has camping facilities at Ockanickon Scout Reservation located in Bucks County, Pennsylvania. Washington Crossing Council, Boy Scouts of America is an independent not-for-profit organization devoted to promoting, within the territory covered by the charter granted by the National Council of the Boy Scouts of America ("National Council, BSA"), the ability of boys, girls, young men and women to do things for themselves and others, training them in Scoutcraft and teaching them patriotism, courage and self-reliance. Council also prepares its youth members to make ethical choices over their lifetimes and achieve their full potential 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, BSA provides components of the Council's employee benefit plans (see note L) and liability insurance programs, as well as components of the Council's technology, software and other items.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Basis of presentation and classification of net assets:

The financial statements of Council have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of 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 funds that are in accordance with specific activities or objectives.

Council also prepares financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Presentation of Financial Statements*. Council is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. See Note J for classification of balances.

Resources in the financial statements are classified for accounting and reporting purposes into classes of net assets according to the existence or absence of donor-imposed restrictions.

The accompanying financial statements include the following classes of net assets:

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions represent net assets available for use in general operations and not subject to donor restrictions, and over which the Board of Directors ("Board") has discretionary control.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed 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 that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor-imposed restrictions are released from the capital fund when the asset is placed into service. Restricted contributions whose restrictions are met in the same reporting period as when the contributions are received are reported as net assets without donor restrictions in the statements of activities and changes in net assets.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [2] Contributions:

Funding for the Council's activities is partially achieved through contributions made through annual appeal, foundations, trusts and grants, and legacy and bequests, including unconditional promises to give. These donations provide funding to be used to support the mission of the Council. As the donors are not receiving a benefit as a result of these transactions, the donations are considered to be contributions to the Council. Some contributions require that funds be expended for a specific purpose, and are considered to be net assets with donor restrictions.

The Council recognizes contributions as revenue when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

#### [3] Revenue recognition:

##### *Revenue from exchange transactions*

The Council recognizes revenue in accordance with FASB Accounting Standards Codification *Revenue from Contracts with Customers (ASC 606)*. ASC 606 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 statements of activities and changes in net assets for the years ended December 31, 2023 and 2022.

##### *Supplies*

The Council operates a Scout Shop in its Service Center and a Trading Post at its summer camp, which sell Scouting-related merchandise on a retail basis to customers. The performance obligation is the delivery of the good to the customer. The transaction price is established by the Council based on retail prices suggested by the suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Council recognizes revenue at a point in time as the customer pays and takes possession of the merchandise. Some merchandise is sold with a right of return. If probable customer returns exist at the end of an accounting period, the Council estimates and records in its financial statements a liability for such returns, which offsets revenue. No liability for probable customer returns was considered necessary as of December 31, 2023 or 2022.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [3] Revenue recognition: (continued)

##### *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 Trails End and the Camp Masters' Popcorn program, for the years ended 2023 and 2022. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. 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 Trails End and the Camp Masters' 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 Trails End and the Camp Masters' 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 at a point in time when the product has been delivered. The Council presents separately in its statements of activities and changes in net assets gross revenues from popcorn sales, cost of goods sold, and unit commissions. Scout units have the right to return to the Council any unsold product, subject to a return-by date of November 1, 2023. 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 Activities, 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. Some special camp programs do incur additional fees (shooting sports and training, for example), which are separately priced. Camp and program activity fees are set by the Council and payment is due prior to attending camp or the program. Fees collected in advance of delivery of the camp or activity are initially recognized as a contract liability as deferred camp or activity income and are only recognized as revenue in the statements of activities and changes in net assets at a point in time after delivery of the program has occurred.

##### *Special fundraising event revenues*

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 statements 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. Special event fees are determined by the Council and payment is due prior to attending the event. Special event fees collected by the Council in advance of its delivery are initially recognized as a contract liability as deferred revenue, and recognized as special event revenue at a point in time after delivery of the event. As of December 31, 2023 and 2022, there were no conditional contributions associated with special events.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [4] Council service fee:

On June 24, 2020, the Council's board of directors approved the charging of a council service fee of \$75 to each scout, that will be adjusted annually. Council service fees provide benefits to scouts over a rolling 12 month period. The benefits received by the scouts include allowing to participate in the scoutcraft program. The value of these benefits is commensurate with the council service fees paid. The scout simultaneously receives and consumes the benefit of the membership over the course of the year and, therefore, revenue is recorded ratably over the 12-month period. Council service fees recognized as revenue during the years ended December 31, 2023 and 2022 were \$325,130 and \$300,007, respectively, and are included in other revenue on the statements of activities and changes in net assets. Council service fees received in advance of the year that they relate to are recorded as a contract liability under deferred other income on the statements of financial position. As of December 31, 2023, 2022 and 2021 the Council collected council service fees in advance of \$177,961, \$164,599, and 123,228 respectively.

#### [5] Cash and cash equivalents:

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

#### [6] Accounts receivable and credit policies:

Accounts receivable are recorded primarily for product sales and are reported at net realizable value. The Council determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of current market conditions and reasonable and supportable forecasts of future economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. An allowance for credit losses is deemed to be immaterial as of December 31, 2023 or 2022.

#### [7] Inventories:

Inventories consist of scouting and other items available for resale and are stated at the lower of cost or net realizable value. Cost is determined using the average cost method.

#### [8] Land, buildings and equipment:

Land, buildings and equipment are stated at cost, unless acquired by gift, in which case they are recorded at the approximate fair value at the time of donation, less accumulated depreciation in the Capital Fund. Specific real estate items are stated based on a 1974 real estate appraisal less accumulated depreciation. Maintenance and repairs are charged to operations when incurred. Purchases of buildings, improvements, or equipment costing \$5,000 or more are capitalized.

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:

Land improvements	10 – 40 years
Buildings and leasehold improvements	2 – 50 years
Furniture, fixtures, and equipment	3 – 20 years

Management evaluates the recoverability of long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of December 31, 2023 and 2022, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [9] Construction in progress:

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

#### [10] Investments:

Investments consist primarily of assets invested in mutual funds, bonds, corporate stock and exchange-traded funds. All investments are stated at fair value. Unrealized and realized gains and losses are reflected in the accompanying statements of activities and changes in net assets. Investments are classified based on their original maturities. Investments with original maturities of less than 12 months are classified as short-term investments.

Council's investment securities are subject to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

#### [11] Beneficial interest in split interest agreement:

Beneficial interest in split interest agreement consists of charitable gift annuities between a donor and the National Council, BSA. The donor named Council the beneficiary of the annuities. The National Council, BSA administers these types of annuities, which include paying a life annuity to the donor or to a designated beneficiary and paying the residuum to Council when the donor dies. The National Council, BSA advises Council annually of the amount of the expected residuum of the gift. The amount of Council's beneficial interest in the split interest agreement was \$99,101 and \$102,572 as of December 31, 2023 and 2022, respectively, and is recorded in the statements of financial position.

#### [12] Interfund loans:

The Council records interfund loans on a single line in the assets section of the statements of financial position.

#### [13] Custodian accounts:

Custodian accounts represent funds received on behalf of various groups. The majority of the funds represents membership and charter fees paid by individual units to be remitted to National Council, BSA. These funds are disbursed for the purpose designated by the various groups.

## WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### [14] Investment policy:

Council's investment policy intends for Council to invest in assets that would produce results exceeding the investment's purchase price and incur a reasonable yield of return, while assuming a moderate level of investment risk. To satisfy the long-term rate-of-return objective, 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). Council targets a diversified asset allocation that places an emphasis on marketable equity and debt securities and money market accounts to achieve its long-term return objectives within prudent risk constraints.

##### [15] Board-designated endowment funds:

Board-designated endowment funds include proceeds from the sale of conservation easements for developed rights at Ockanickon Scout Reservation and other funds specifically designated by the Board. It is Council's intention to use income from these funds as necessary to meet the specific purpose of Council. Board-designated endowment funds were \$368,509 and \$369,288 as of December 31, 2023 and 2022, respectively.

##### [16] Donor-restricted endowment fund:

Investment income and investment gains earned on net assets with donor restrictions are recorded as net assets with donor restrictions until they are appropriated for expenditure by the Board and then transferred to net assets without donor restrictions for use in operations. The use of net assets with donor restrictions and related income and gains is limited by Commonwealth of Pennsylvania Act 141.

##### [17] Concentrations of credit risk:

Council maintains cash balances in several financial institutions. Accounts at each of the institutions are insured by the Federal Deposit Insurance Corporation. At times during the year, individual accounts may exceed the federally insured limit. Management does not believe there is any credit risk at these institutions.

##### [18] Estimates:

The presentation of financial statements in conformity with U.S. GAAP 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.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [19] Functional allocation of expenses:

The costs of providing the various programs and supporting services have been summarized on the statements of activities and changes in net assets on a functional basis. Most expenses can be directly allocated to one of the programs 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, supplies, insurance, and employee compensation, including salaries, employee benefits, payroll taxes and, employee related expenses. 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 four separate studies and is applied to the expenses that are allocated. In accordance with the policy of the National Council, BSA, the payment of the charter fee to the National Council, BSA are included as management and general on the statements of functional expenses.

#### [20] Federal tax status:

The Internal Revenue Service has classified Council as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability, if Council has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by Council and has concluded that as of December 31, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Council recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for either of the years ended December 31, 2023 or 2022.

#### [21] Recently adopted accounting guidance:

##### *Allowance for credit losses:*

Effective January 1, 2023, the Association adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), as amended. ASU 2016-13 replaces the "incurred loss" credit losses framework with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology, which requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs.

The Council adopted ASU 2016-13 using the modified retrospective method for all financial assets measured as amortized cost, which consisted of accounts receivable. Results for the year ended December 31, 2022 continue to be reported in accordance with previously applicable U.S. GAAP. The adoption and application of the standard had no material effect on these financial statements and primarily resulted in enhanced disclosures only.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE C - LIQUIDITY AND AVAILABILITY

The Council's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, are as follows as of December 31, 2023 and 2022:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Financial assets deemed available:		
Operating fund:		
Cash and cash equivalents	\$ 656,788	\$ 652,361
Short-term investments	3,691	3,424
Accounts receivable	5,748	3,533
Pledges receivable, net	-	295
	<u>666,227</u>	<u>659,613</u>
Financial assets deemed available as of year-end		
	<b>666,227</b>	659,613
Appropriation of endowment assets for general expenditure in subsequent year		
	<u>90,050</u>	<u>94,044</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 756,277</u>	<u>\$ 753,657</u>

The Council's endowment funds consist of donor-restricted endowments and a Board-designated endowment. Income from endowments is available for general expenditure. As of December 31, 2023 and 2022, \$90,050 and \$94,044, respectively, of appropriations will be available within the next 12 months.

The Council's capital fund consists of financial assets to be expended for property, buildings, and equipment and related debt payments. These financial assets are not available for general expenditure.

As part of the Council's liquidity management plan, 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 two lines-of-credit in the amounts of \$150,000 and \$725,000, which could be drawn upon (see Note I). Additionally, the Council has Board-designated endowments of \$368,509 and \$369,288 as of December 31, 2023 and 2022, respectively. Although the Council does not intend to spend from its Board-designated endowments, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its Board-designated endowment could be made available, if necessary.

## WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE D - INVENTORIES

The following is a summary of inventories as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Council scout shop	\$ 129,027	\$ 150,868
Camp trading post	<u>36,084</u>	<u>27,048</u>
	<u>\$ 165,111</u>	<u>\$ 177,916</u>

#### NOTE E - PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Unconditional promises expected to be collected:		
Less than one year	\$ 41,500	\$ 295
One to five years	<u>66,000</u>	<u>-</u>
Total gross pledges	<u>\$ 107,500</u>	<u>\$ 295</u>

Unconditional promises expected to be collected after one year have not been discounted by management. Impact is immaterial to financial statements.

#### NOTE F - LAND, BUILDINGS AND EQUIPMENT

The following is a summary of land, buildings and equipment as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 587,298	\$ 587,298
Buildings	3,071,498	3,059,298
Furniture, fixtures and equipment	1,573,355	1,091,295
Construction in progress	<u>371,544</u>	<u>772,110</u>
	<u>5,603,695</u>	5,510,001
Less: accumulated depreciation	<u>2,887,564</u>	<u>2,927,385</u>
	<u>\$ 2,716,131</u>	<u>\$ 2,582,616</u>

Depreciation for the years ended December 31, 2023 and 2022 was \$97,429 and \$84,295, respectively.

As of December 31, 2023, construction in progress consisted primarily of various costs associated with the development of a new well project. This project does not yet have an expected completion date. The costs are being funded through operating cash, investments, and donor contributions.

## WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE F - LAND, BUILDINGS AND EQUIPMENT (CONTINUED)

As of December 31, 2022, construction in progress consisted primarily of various costs associated with the development of a new pool and well project. These projects were completed during 2023, with the exception of the development of a new well project, which does not yet have an expected completion date. The costs are being funded through operating cash, investments, and donor contributions.

#### NOTE G - INVESTMENTS

Investments as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Bonds	\$ -	\$ 205,323
Corporate stock	1,481,487	1,257,308
Exchange-traded funds	491,971	444,064
Funds held in trust by others	<u>99,101</u>	<u>102,572</u>
	<b>2,072,559</b>	2,009,267
Invested cash	<u>92,817</u>	<u>63,727</u>
	<b><u>\$ 2,165,376</u></b>	<b><u>\$ 2,072,994</u></b>
Short-term investments	\$ 25,898	\$ 67,151
Long-term investments	2,040,377	1,903,271
Beneficial interest in split interest agreement	<u>99,101</u>	<u>102,572</u>
	<b><u>\$ 2,165,376</u></b>	<b><u>\$ 2,072,994</u></b>

Investment income (loss), net from investments and other interest-bearing accounts for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 64,736	\$ 61,239
Realized gain (loss)	88,458	(31,277)
Unrealized gain (loss)	65,723	(288,383)
Change in value of split interest agreement	(3,471)	(6,252)
Investment fees	<u>(19,126)</u>	<u>(19,576)</u>
	<b><u>\$ 196,320</u></b>	<b><u>\$ (284,249)</u></b>
Investment income (loss), net - without donor restrictions	\$ 105,139	\$ (17,057)
Investment income (loss), net - with donor restrictions	<u>91,181</u>	<u>(267,200)</u>
	<b><u>\$ 196,320</u></b>	<b><u>\$ (284,257)</u></b>

## WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE H - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Assets utilizing Level 3 inputs are funds held in trust by others.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2023 or 2022.

*Corporate stock* - Valued at the closing market price on the stock exchange where it is traded.

*Bonds and U.S. government obligations* - Valued at the present value of future cash flows.

*Exchange-traded funds* - Valued at the net asset value of the shares held by Council at year-end.

*Funds held in trust by others* - Valued at management's estimated fair value based on amounts provided by third parties who hold the funds.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE H - FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level, Council's assets at fair value, within the aforementioned fair value hierarchy, as of December 31, 2023 and 2022:

	2023			Total
	Level 1	Level 2	Level 3	
Corporate stock	\$ 1,481,487	\$ -	\$ -	\$ 1,481,487
Exchange-traded funds:				
Equities	491,971	-	-	491,971
Funds held in trust by others	-	-	99,101	99,101
Total assets at fair value	<u>\$ 1,973,458</u>	<u>\$ -</u>	<u>\$ 99,101</u>	<u>\$ 2,072,559</u>

  

	2022			Total
	Level 1	Level 2	Level 3	
U.S. government obligations	\$ -	\$ 26,683	\$ -	\$ 26,683
Corporate bonds	-	178,640	-	178,640
Corporate stock	1,257,308	-	-	1,257,308
Exchange-traded funds:				
Equities	444,064	-	-	444,064
Funds held in trust by others	-	-	102,572	102,572
Total assets at fair value	<u>\$ 1,701,372</u>	<u>\$ 205,323</u>	<u>\$ 102,572</u>	<u>\$ 2,009,267</u>

### Changes in fair value levels:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2023 and 2022, there were no transfers into or out of Levels 1, 2 or 3.

The following summarizes Level 3 reconciliations:

	Funds Held in Trust by Others for the Year Ended December 31,	
	2023	2022
Beginning balance	\$ 102,572	\$ 108,824
Change in value of split interest agreement	<u>(3,471)</u>	<u>(6,252)</u>
Ending balance	<u>\$ 99,101</u>	<u>\$ 102,572</u>

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE I - LINES-OF-CREDIT

Council had a \$100,000 bank line-of-credit ("LOC") with Truist. In October 2023, the Council opted to close the LOC. The LOC was collateralized by Council's building in Doylestown, Pennsylvania and was payable on demand. The LOC bore interest at prime less .25% (prime was 7.50% as of December 31, 2022). As of December 31, 2022, there were no outstanding borrowings on the LOC.

In June 2019, the Council entered into a LOC agreement with The Haverford Trust Company ("HTC"). This LOC had a limit of \$275,000. During October 2022 the amount of the LOC available for use by the Council was lowered to \$150,000. The LOC is collateralized by a portion of the Council's holdings at HTC and is payable on demand. The LOC bears interest at prime less 1.25% (prime was 8.50% and 7.50% as of December 31, 2023 and 2022, respectively). As of December 31, 2023 and 2022, there were no outstanding borrowings on the LOC.

In November 2022, the Council entered into a LOC agreement with Penn Community Bank. This LOC has a limit of \$725,000. The LOC is collateralized by property at 5787 State Park Road and is payable on demand. The LOC bears interest at prime plus 0.50% (prime was 8.50% as of December 31, 2023). As of December 31, 2023 and 2022, there were outstanding borrowings on the LOC of \$330,000 and \$500,000, respectively.

**WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA**

**Notes to Financial Statements  
December 31, 2023 and 2022**

**NOTE J - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2023 and 2022:

	<b>2023</b>			
	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Endowment Fund</b>	<b>Total</b>
<b>Subject to expenditures for specified purpose:</b>				
Camperships	\$ 105,534	\$ -	\$ -	\$ 105,534
Scoutreach	6,361	-	-	6,361
FlagPlaza/Brick Walkway	-	44,367	-	44,367
Various projects	5,764	45,646	-	51,410
	<u>117,659</u>	<u>90,013</u>	<u>-</u>	<u>207,672</u>
<b>Subject to the passage of time:</b>				
Pool replacement	-	107,500	-	107,500
	<u>-</u>	<u>107,500</u>	<u>-</u>	<u>107,500</u>
<b>Endowments:</b>				
<b>Subject to appropriation and expenditure when a specified event occurs:</b>				
General use	-	-	5,538	5,538
Restricted by Pennsylvania Statute	-	-	239,972	239,972
	<u>-</u>	<u>-</u>	<u>245,510</u>	<u>245,510</u>
<b>Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:</b>				
General use	-	-	293,752	293,752
Restricted by Pennsylvania Statute	-	-	1,089,120	1,089,120
	<u>-</u>	<u>-</u>	<u>1,382,872</u>	<u>1,382,872</u>
<b>Total endowments</b>	<u>-</u>	<u>-</u>	<u>1,628,382</u>	<u>1,628,382</u>
	<u>\$ 117,659</u>	<u>\$ 197,513</u>	<u>\$ 1,628,382</u>	<u>\$ 1,943,554</u>

**WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA**

**Notes to Financial Statements  
December 31, 2023 and 2022**

**NOTE J - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

	<b>2022</b>			
	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Endowment Fund</b>	<b>Total</b>
<b>Subject to expenditures for specified purpose:</b>				
Camperships	\$ 83,628	\$ -	\$ -	\$ 83,628
Scoutreach	7,588	-	-	7,588
FlagPlaza/Brick Walkway	-	44,367	-	44,367
Pool replacement	-	144,943	-	144,943
Various projects	28,141	32,456	-	60,597
	<u>119,357</u>	<u>221,766</u>	<u>-</u>	<u>341,123</u>
<b>Subject to the passage of time:</b>				
Friends of Scouting	25,582	-	-	25,582
	<u>25,582</u>	<u>-</u>	<u>-</u>	<u>25,582</u>
<b>Endowments:</b>				
<b>Subject to appropriation and expenditure when a specified event occurs:</b>				
General use	-	-	5,539	5,539
Restricted by Pennsylvania Statute	-	-	145,622	145,622
	<u>-</u>	<u>-</u>	<u>151,161</u>	<u>151,161</u>
<b>Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:</b>				
General use	-	-	293,752	293,752
Restricted by Pennsylvania Statute	-	-	1,083,061	1,083,061
	<u>-</u>	<u>-</u>	<u>1,376,813</u>	<u>1,376,813</u>
<b>Total endowments</b>	<u>-</u>	<u>-</u>	<u>1,527,974</u>	<u>1,527,974</u>
	<u>\$ 144,939</u>	<u>\$ 221,766</u>	<u>\$ 1,527,974</u>	<u>\$ 1,894,679</u>

## WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE J - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
<b>Satisfaction of purpose restrictions:</b>		
Camperships	\$ 13,853	\$ 13,444
Scoutreach	1,228	-
Pool replacement	144,943	-
Various projects	7,684	25,607
Promises to give, the proceeds from which have been restricted by donors for:		
Capital Campaign	-	100
	<u>167,708</u>	<u>39,151</u>
 <b>Expiration of time restrictions - Friends of Scouting</b>	 12,892	 6,424
 <b>Appropriation from donor endowment in satisfaction of donor and legal restrictions:</b>		
In accordance with Pennsylvania Statute	-	25,236
	<u>12,892</u>	<u>31,660</u>
	<u>\$ 180,600</u>	<u>\$ 70,811</u>

#### NOTE K - ENDOWMENT AND BOARD-DESIGNATED FUNDS

Council's endowment funds include both donor-restricted endowment funds (net assets with donor restrictions) and funds designated by the Board of Directors to function as endowments (net assets without donor restrictions). The income from these funds can be used for general purposes, or in accordance with Pennsylvania Statute. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Council has interpreted the Commonwealth of Pennsylvania state law as requiring the preservation of 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 of this interpretation, Council classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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 funds is classified as net assets with donor restrictions until those amounts are appropriated by the Board for expenditure in a manner consistent with state law.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE K - ENDOWMENT AND BOARD-DESIGNATED FUNDS (CONTINUED)

Council's endowment and Board-designated net assets had the following activity for the years ended December 31, 2023 and 2022:

	<b>2023</b>				
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>			<b>Total</b>
	<b>Board- Designated</b>	<b>Subject to Appropriation</b>	<b>Perpetual in Nature</b>	<b>Subtotal</b>	
Endowment and Board-designated funds at beginning of year	<u>\$ 369,288</u>	<u>\$ 151,161</u>	<u>\$ 1,376,813</u>	<u>\$ 1,527,974</u>	<u>\$ 1,897,262</u>
Investment return	34,149	94,349	-	94,349	128,498
Change in value of split interest agreements	-	-	(3,471)	(3,471)	(3,471)
Contributions	-	-	9,530	9,530	9,530
Distribution from Board-designated endowment pursuant to distribution policy	<u>(34,928)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,928)</u>
Change in net assets	<u>(779)</u>	<u>94,349</u>	<u>6,059</u>	<u>100,408</u>	<u>99,629</u>
Endowment and Board-designated funds at end of year	<u>\$ 368,509</u>	<u>\$ 245,510</u>	<u>\$ 1,382,872</u>	<u>\$ 1,628,382</u>	<u>\$ 1,996,891</u>
	<b>2022</b>				
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>			<b>Total</b>
	<b>Board- Designated</b>	<b>Subject to Appropriation</b>	<b>Perpetual in Nature</b>	<b>Subtotal</b>	
Endowment and Board-designated funds at beginning of year	<u>\$ 1,844,172</u>	<u>\$ 436,811</u>	<u>\$ 1,372,065</u>	<u>\$ 1,808,876</u>	<u>\$ 3,653,048</u>
Investment return	(73,638)	(260,414)	-	(260,414)	(334,052)
Change in value of split interest agreements	-	-	(6,252)	(6,252)	(6,252)
Contributions	-	-	11,000	11,000	11,000
Appropriation of endowment assets pursuant to spending rate policy	-	(25,236)	-	(25,236)	(25,236)
Distribution from Board-designated endowment pursuant to distribution policy	<u>(1,401,246)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,401,246)</u>
Change in net assets	<u>(1,474,884)</u>	<u>(285,650)</u>	<u>4,748</u>	<u>(280,902)</u>	<u>(1,755,786)</u>
Endowment and Board-designated funds at end of year	<u>\$ 369,288</u>	<u>\$ 151,161</u>	<u>\$ 1,376,813</u>	<u>\$ 1,527,974</u>	<u>\$ 1,897,262</u>

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE K - ENDOWMENT AND BOARD-DESIGNATED FUNDS (CONTINUED)

Endowment and Board-designated funds had the following net asset compositions as of December 31, 2023 and 2022:

	<b>2023</b>		
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 368,509	\$ -	\$ 368,509
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	-	1,382,872	1,382,872
Accumulated investment gains	-	245,510	245,510
Total endowment funds	<u>\$ 368,509</u>	<u>\$ 1,628,382</u>	<u>\$ 1,996,891</u>
	<b>2022</b>		
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 369,288	\$ -	\$ 369,288
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	-	1,376,813	1,376,813
Accumulated investment gains	-	151,161	151,161
Total endowment funds	<u>\$ 369,288</u>	<u>\$ 1,527,974</u>	<u>\$ 1,897,262</u>

#### [1] Return objectives and risk parameters:

The Board of Directors has adopted investment and spending policies for endowment and Board-designated assets that attempt to provide a relatively predictable and growing stream of annual distribution in support of Council while preserving the long-term, real purchasing power of assets. An additional purpose of the funds is to provide a source of funds for a time when Council may face a financial emergency, subject to any funds being utilized in such a manner which is consistent with the original donor restrictions.

## WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

### Notes to Financial Statements December 31, 2023 and 2022

#### NOTE K - ENDOWMENT AND BOARD-DESIGNATED FUNDS (CONTINUED)

##### [2] Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, 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 Board of Directors has approved an asset allocation policy consisting of 55%-75% equities, with the balance of the funds in fixed income and cash.

Total return is defined as capital gains, realized and unrealized, plus income derived from dividends and interest. It is recognized that economic and securities' market conditions are not constant, but ever changing and, as a result, periodic portfolio rebalancing will be required to maintain asset allocation.

##### [3] Spending policy and how the investment objectives relate to spending policy:

This policy is limited by Commonwealth of Pennsylvania Act 141 and at the direction of the board of directors. Each year, Council's Board of Directors determines the amount that can be spent, subject to donor restrictions. Annual withdrawals from the endowment trust cannot exceed 5% of Council's investable asset value. The 5% spending objective is determined based on a three-year rolling average calculated using the market value of the endowment trust as of September 30. Pursuant to the Commonwealth of Pennsylvania law and at the direction of the Board of Directors, \$-0- and \$25,236 was distributed for unrestricted purposes and has been reported as net assets released from restriction in the accompanying statements of activities and changes in net assets for the years ended December 31, 2023 and 2022.

In addition, at the direction of the board of directors, \$34,928 and \$1,401,246 was distributed for unrestricted purposes from board designated funds for the years ended December 31, 2023 and 2022. For the year ended December 31, 2022 board designated funds distributed for unrestricted purposes comprised \$11,066 as part of spending policy and \$1,390,180 as part of a special election approved by the board.

#### NOTE L - RETIREMENT PLANS

##### *BSA Retirement Plan for Employees*

The National Council, BSA has a qualified defined-benefit pension plan (the "plan") administered at the National Service Center that covers employees of the National Council, BSA 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 December 31, 2018, the plan was frozen to employees with less than 15 years of vesting service, and whose age plus vesting service equaled less than 60 as of December 31, 2018 (nongrandfathered employees). From January 1, 2020 through July 31, 2020, employees with at least 15 years of vesting service and whose age plus vesting service equaled 60 or more as of December 31, 2018 (grandfathered employees) contributed 4.25% of compensation to the plan. Effective August 1, 2020, the plan was frozen to grandfathered employees, thereby freezing the plan for all BSA employees. The Council contributes 7.75% of eligible employees' compensation to the BSA retirement program. Pension expense was approximately \$71,000 and \$74,000 as of December 31, 2023 and 2022, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2023 indicates that it is in compliance with ERISA regulations regarding funding.

# WASHINGTON CROSSING COUNCIL, BOY SCOUTS OF AMERICA

## Notes to Financial Statements December 31, 2023 and 2022

### NOTE L - RETIREMENT PLANS (CONTINUED)

#### *BSA Match Savings Plan*

The Council participates in a 403(b) defined contribution plan established by the National Council, BSA. The plan name is the BSA Match Savings Plan, which covers all full-time 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 makes a matching contribution on employee eligible compensation. The Council contributed approximately \$25,000 and \$24,000 to the BSA Match Savings Plan for the years ended December 31, 2023 and 2022, respectively.

### NOTE M - CONCENTRATIONS OF CREDIT RISK

The Council maintains its cash in bank accounts in amounts which, at times, may exceed federally insured limits. The Council has not experienced any losses in such accounts, and management believes that the Council is not exposed to any significant risk of loss on these accounts.

### NOTE N - CONTINGENCIES AND OTHER UNCERTAINTIES

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 contributed approximately \$1,390,000 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.

### NOTE O - SUBSEQUENT EVENTS

Council has evaluated subsequent events through October 23, 2024, which is the date the financial statements were available to be issued.