

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

CONTENTS

	Page
Independent auditor's report	1-2
Financial statements:	
Statements of financial position	3
Statements of activities and changes in net assets	4-5
Statements of functional expenses	6
Statements of cash flows	7
Notes to financial statements	8-22

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Puerto Rico Council of
Boy Scouts of America
Guaynabo, Puerto Rico

Report on the Financial Statements

I have audited the accompanying financial statements of **Puerto Rico Council of Boy Scouts of America, Inc.**, which comprise the statements of financial position as of December 31, 2019 and 2018 and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Puerto Rico Council of Boy Scouts of America, Inc.** at December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of matter

As discussed on Note H to the financial statements, the Council could be exposed to multiple abuse claims from former scouts. The legal advisors of Puerto Rico Council understand that it is untimely to determine if the Council will be affected with those claims. At the date of the financial statements, the Puerto Rico Council, as every other Local Council in the United States, is uncertain as to what are the exact claims, claimants or lawsuits, if any, against the Council.



Gerard Gittens Diaz, CPA
Lic # 5641 expires on December 1, 2022

Caguas, Puerto Rico
September 30, 2020

PUERTO RICO COUNCIL OF BOY SCOUTS OF AMERICA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31 2019 AND 2018

	Operating Fund		Capital fund		Endowment Fund		Total Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
ASSETS								
Cash and cash equivalents	\$ 394,695	\$ 752,016	\$ -	\$ -	\$ 22,928	\$ 22,928	\$ 417,623	\$ 774,944
Cash restricted	-	-	-	-	-	-	-	-
Accounts receivable	29,584	29,108	133,509	292,084	-	-	163,093	321,192
Inventories	-	1,808	-	-	-	-	-	1,808
Prepaid expenses	24,505	4,804	-	-	-	-	24,505	4,804
Total current assets	448,784	787,736	133,509	292,084	22,928	22,928	605,221	1,102,748
Land, building and equipment, net	-	-	7,060,642	7,320,145	-	-	7,060,642	7,320,145
Long term investments	-	-	-	-	388,420	316,760	388,420	316,760
Total noncurrent assets	-	-	7,060,642	7,320,145	388,420	316,760	7,449,062	7,636,905
Total assets	\$ 448,784	\$ 787,736	\$ 7,194,151	\$ 7,612,229	\$ 411,348	\$ 339,688	\$ 8,054,283	\$ 8,739,653
LIABILITIES AND NET ASSETS								
Current portion of long term debt	\$ -	\$ -	\$ 19,324	\$ 25,104	\$ -	\$ -	\$ 19,324	\$ 25,104
Accounts payable	73,705	27,894	133,509	292,084	-	-	207,214	319,978
Accrued liabilities	28,397	28,397	-	617	-	-	28,397	29,014
Custodial accounts	13,591	-	-	-	-	-	13,591	-
Deferred income	9,785	30,438	-	-	-	-	9,785	30,438
Total current liabilities	125,477	86,729	152,833	317,805	-	-	278,310	404,534
Long term debt	-	-	-	18,711	-	-	-	18,711
Total liabilities	125,477	86,729	152,833	336,516	-	-	278,310	423,245
Net assets								
Without donor restrictions	323,307	701,007	1,151,982	1,022,296	17,210	17,210	1,492,499	1,740,513
With donor restrictions	-	-	5,889,336	6,253,417	394,138	322,478	6,283,474	6,575,895
Total net assets	323,307	701,007	7,041,318	7,275,713	411,348	339,688	7,775,973	8,316,408
Total liabilities and net assets	\$ 448,784	\$ 787,737	\$ 7,194,151	\$ 7,612,229	\$ 411,348	\$ 339,688	\$ 8,054,283	\$ 8,739,654

PUERTO RICO COUNCIL OF BOY SCOUTS OF AMERICA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2019 AND 2018

	Operating Fund		Capital fund		Endowment Fund		Total Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
Changes in unrestricted net assets								
Support and revenue								
Friends of scouting	\$ 99,379	\$ 129,217	\$ -	\$ -	\$ -	\$ -	\$ 99,379	\$ 129,217
Special fundraising events	28,457	88,991	-	-	-	-	28,457	88,991
Foundations and trusts, net	14,485	70,504	-	75,000	-	-	14,485	145,504
Other direct support - Hurricane Maria	15,000	51,766	-	-	11,000	14,000	26,000	65,766
Total direct support	157,320	340,478	-	75,000	11,000	14,000	168,320	429,478
Indirect support								
United ways	58,490	66,788	-	-	-	-	58,490	66,788
Other indirect support	-	-	14,122	250,000	-	-	14,122	250,000
Government grants	50,070	48,148	-	-	-	-	50,070	48,148
Total indirect support	108,560	114,936	14,122	250,000	-	-	122,682	364,936
Revenues								
Sales of supplies	140	868	-	-	-	-	140	868
Product sales	334,188	353,291	-	-	-	-	334,188	353,291
Less cost of good sold	(221,441)	(217,925)	-	-	-	-	(221,441)	(217,925)
Net sales of products	112,887	136,234	-	-	-	-	112,887	136,234
Investment income	-	-	-	-	-	-	-	-
Camping revenue	762,630	503,543	-	-	-	-	762,630	503,543
Activity revenues:								
Jamboree	194,108	109,292	-	-	-	-	194,108	109,292
World Jamboree	-	72,748	-	-	-	-	-	72,748
Other revenue (including insurance claim payment)	42,040	914,203	-	-	-	-	42,040	914,203
Total revenue	1,160,387	1,736,019	-	-	-	-	1,160,387	1,736,019
Total support and revenue	1,426,267	2,191,433	14,122	325,000	11,000	14,000	1,451,389	2,530,433
Expenses								
Program services	691,622	1,197,609	378,203	311,275	-	-	1,069,825	1,508,884
Support services								
Management and general	940,509	291,195	-	-	-	-	940,509	291,195
Fundraising	33,825	25,848	-	-	-	-	33,825	25,848
Total supporting services	1,665,956	1,514,652	378,203	311,275	-	-	2,044,159	1,835,927
Charter and national service fee	8,326	8,472	-	-	-	-	8,326	8,472
Total expenses	1,674,282	1,523,124	378,203	311,275	-	-	2,052,485	1,834,399
Increase (decrease) in unrestricted assets	\$ (248,014)	\$ 668,309	\$ (364,081)	\$ 13,725	\$ 11,000	\$ 14,000	\$ (601,095)	\$ 696,034

PUERTO RICO COUNCIL OF BOY SCOUTS OF AMERICA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
DECEMBER 31, 2019 AND 2018

	Operating Fund		Capital fund		Endowment Fund		Total Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
Permanently restricted net assets								
Direct support								
Other direct support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:								
Foundations and trusts, net	-	-	-	-	-	-	-	-
Gain (loss) on investments	-	-	-	-	60,660	(13,040)	60,660	(13,040)
Increase in permanently restricted	-	-	-	-	60,660	(13,040)	60,660	(13,040)
Increase (decrease) in total net assets	(248,014)	668,309	(364,081)	13,725	71,660	960	(540,435)	682,994
Net assets beginning								
Without donor restrictions	701,007	200,805	1,022,296	854,189	17,210	17,210	1,740,513	1,072,204
With donor restrictions	-	-	6,253,417	6,239,692	322,478	321,518	6,575,895	6,561,210
Total net assets, beginning	701,007	200,805	7,275,713	7,093,881	339,688	338,728	8,316,408	7,633,414
Transfers								
Net assets, ending	(129,686)	(168,107)	129,686	168,107	-	-	-	-
Without donor restrictions	323,307	701,007	1,151,982	1,022,296	17,210	17,210	1,492,499	1,740,513
With donor restrictions	-	-	5,889,336	6,253,417	394,138	322,478	6,283,474	6,575,895
Total net assets, ending	\$ 323,307	\$ 701,007	\$ 7,041,318	\$ 7,275,713	\$ 411,348	\$ 339,688	\$ 7,775,973	\$ 8,316,408

PUERTO RICO COUNCIL OF BOY SCOUTS OF AMERICA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
DECEMBER 31, 2019 AND 2018

Expenses	Program services		Management and General		Fundraising		Total Expenses	
	2019	2018	2019	2018	2019	2018	2019	2018
Employee compensation								
Salaries	\$ 216,888	\$ 159,720	\$ 240,986	\$ 177,466	\$ 24,099	\$ 17,747	\$ 481,972	\$ 354,933
Employee benefits	43,164	30,923	32,774	24,135	3,997	2,898	79,935	57,956
Payroll taxes	13,685	12,451	35,184	25,910	2,572	2,019	51,441	40,380
Employee related expense	-	-	-	-	-	-	-	-
Total employee compensation	273,737	203,094	308,944	227,512	30,667	22,663	613,348	453,270
Other expenses								
Program supplies	140,795	108,465	212,789	6,945	1,064	347	354,648	115,757
Food	28,480	191,390	43,043	12,256	215	613	71,738	204,259
Occupancy	52,527	162,536	79,386	10,408	397	520	132,310	173,465
Temporary camping services	59,881	205,529	90,500	13,161	452	658	150,833	219,348
Transportation	15,556	38,119	23,511	2,441	118	122	39,185	40,682
Insurance	33,446	64,614	50,547	4,137	253	207	84,246	68,958
Recognition awards	7,740	32,871	11,698	2,105	58	105	19,497	35,082
Specific assistance to individuals	32,791	59,844	49,558	3,832	248	192	82,597	63,868
Conference and meetings	14,800	26,112	22,368	1,672	112	84	37,280	27,868
Telephone	7,409	16,063	11,198	1,029	56	51	18,663	17,143
Interests	880	3,190	1,330	204	7	10	2,216	3,405
Printing and publications	8,476	36,339	12,809	2,327	64	116	21,349	38,782
Postage and shipping	674	1,143	1,019	73	5	4	1,698	1,219
Rent and maintenance of equipment	680	4,638	1,028	297	5	15	1,714	4,949
Other expenses	13,750	43,662	20,781	2,796	104	140	34,634	46,598
Total other expenses	417,885	994,515	631,564	63,683	3,158	3,184	1,052,607	1,061,382
Expenses before depreciation	691,622	1,197,609	940,509	291,195	33,825	25,848	1,665,956	1,514,652
Depreciation	378,203	311,275	-	-	-	-	378,203	311,275
Total functional expenses	\$ 1,069,825	\$ 1,508,884	\$ 940,509	\$ 291,195	\$ 33,825	\$ 25,848	\$ 2,044,159	\$ 1,825,927

PUERTO RICO COUNCIL OF BOY SCOUTS OF AMERICA, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2019 AND 2018

	Operating Fund		Capital fund		Endowment Fund		Total Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities:								
Increase (decrease) in total net assets	\$ (248,014)	\$ 668,309	\$ (364,081)	\$ 13,725	\$ 71,660	\$ 960	\$ (540,435)	\$ 682,994
Adjustments to reconcile cash flows:								
Depreciation	-	-	-	311,275	-	-	-	311,275
Accounts receivable written-off	-	-	-	-	-	-	-	-
Net unrealized (gain) loss on investments	-	-	-	-	(60,660)	13,040	(60,660)	13,040
(Increase) decrease in net assets:								
Accounts receivable	(476)	58,579	158,575	-	-	-	158,099	58,579
Inventories	1,808	(583)	-	-	-	-	1,808	(583)
Prepaid expenses	(19,701)	(4,341)	-	-	-	-	(19,701)	(4,341)
Increase (decrease) in liabilities:								
Accounts payable	45,810	(13,096)	(158,575)	617	-	-	(112,765)	(12,479)
Accrued liabilities	-	-	-	-	-	-	-	-
Custodial accounts	13,592	(6,469)	-	-	-	-	13,592	(6,469)
Deferred income	(20,653)	19,305	-	-	-	-	(20,653)	19,305
Transfers	(129,686)	(168,107)	129,686	168,107	-	-	-	-
Total adjustments	(109,306)	(114,711)	129,686	479,999	(60,660)	13,040	(40,280)	378,328
Net cash flows provided (used) by operating activities	(357,321)	553,598	(234,395)	493,724	11,000	14,000	(580,716)	1,061,322
Investing activities:								
Capital expenditures	-	-	(118,700)	(471,069)	-	-	(118,700)	(471,069)
Purchases of property & equipment	-	-	-	-	-	-	-	-
Sales (purchases) of marketable securities, net	-	-	-	-	(11,000)	(14,000)	(11,000)	(14,000)
Net cash flows used in investing activities	-	-	(118,700)	(471,069)	(11,000)	(14,000)	(129,700)	(485,069)
Financing activities:								
Principal payments of long term debt	-	-	(25,108)	(22,655)	-	-	(25,108)	(22,655)
Advances of note payable to National, net	-	-	-	-	-	-	-	-
Net cash used in financing activities	-	-	(25,108)	(22,655)	-	-	(25,108)	(22,655)
Net increase (decrease) in cash	(357,321)	553,598	(378,203)	-	-	-	(735,524)	553,598
Cash and cash restricted, beginning	752,016	198,418	-	-	22,928	22,928	774,944	221,346
Cash and cash restricted, ending	\$ 394,695	\$ 752,016	\$ (378,203)	\$ -	\$ 22,928	\$ 22,928	\$ 39,420	\$ 774,944

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Puerto Rico Council of Boy Scouts of America, Inc. (hereinafter “The Council”) is a Puerto Rico nonprofit organization created under the laws of the Commonwealth of Puerto Rico on November 18, 1938. The Council is an 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 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.

To maintain its operations the Council has various fundraising events as pop-corn sales, summer camp and sales of articles and products, also the Council receive funds from private and public entities that provides support to the program.

The Council’s programs are classified as follows:

Lion Scouts— are age 5 or in Kindergarten and the guidebook contains a detailed plan for each month’s curriculum and breaks down each section into Family/Den Activities, At-Home Activities and Grand Adventures. The Lion Scout program is for boys and girls who are in kindergarten (or are age 8). Lions earn the Bobcat badge at the end of the year, after completing their other Lion activities. Lions work with their fellow Lion Scouts and each Scout's adult partners. The program is focused on parent planning and delivery with support from the Cub Scout pack using literature specifically designed for the younger age group (the former Lion Scout Adult Guide and Lion Scout Adventure Guide are now a Lion Scout Den Leader).

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

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

Scouts BSA—With the Scout Oath and Scout Law as guides, and the support of parents and religious and neighborhood organizations, Scouts develop an awareness and appreciation of their role in their community and become well-rounded young men through the advancement of the program. Scouts progress in rank through achievements, gain additional knowledge and responsibilities, and earn merit badges that introduce a lifelong hobby or a rewarding career.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Venturing—Provides experiences 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 Boy Scout camping properties, a recognition program, and Youth Protection training.

Learning for Life—Program that enables 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.

A summary of the significant accounting policies followed in the United States of America and consistently applied in the preparation of the accompanying financial statements judged by management to be the most appropriate in the circumstances to present fairly the company's financial position and results of operations in accordance with accounting principles generally accepted in the United States of America follows.

1. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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. Management believes that those estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

3. Fund accounting

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Organization 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 specified activities or objectives. The accounts of the Council are maintained in three self-balancing fund groups according to their nature and purposes as follows:

General Operating Fund – The general operating fund is used to account for the Council's operating activities.

Capital fund – The capital fund is used to account for property, buildings, equipment, and legally restricted cash that is to be expended for property, buildings, and equipment and related debt payments. Also, included in this fund are investments either restricted or designated for capital repair and improvements where the income is either designated or restricted for those particular items. Revenues and expenses related to the capital fundraising campaign are also included in this fund.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Fund accounting (Continued)

Endowment fund – The endowment fund is normally used to account for amounts of gifts and bequests accepted with legal restrictions based on donor stipulation that the principal be maintained intact in perpetuity, until the occurrence of a specified event or for a specified period, and that investment return thereof be expended either for general purposes or for purposes specified by the donor. Investment funds with and 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.

The Organization also prepares financial statements in accordance with the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations (ASC 958-205 and subsections). During 2018, the Council adopted the provisions of Accounting Standard Update (ASU) 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Non-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Council's liquidity, financial performance and cash flows.

4. Accounting for contributions

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value in accordance with the Contributions Received section of the FASB ASC.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated Statement of Activities and Changes in Net Assets as assets released from restrictions.

5. Donated materials and services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Donated materials and services (continued)

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 restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not either require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fundraising campaigns, the value of which is not recorded in the accompanying consolidated financial statements.

6. Investment in marketable securities

Investments consist primarily of marketable equity and debt securities and money market funds. The Council accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to each investor's ownership percentage. The realized and unrealized gain or loss on investments is reflected in the statement of activities and changes in net assets.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

As of December 31, 2019, and 2018, the fair value of marketable securities was determined following level 1 techniques. This provides that inputs to the valuation methodology are quoted prices in active markets for identical securities in active markets that the Organization has the ability to access.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Accounts receivable

Accounts receivable are recorded primarily for product sales and are reported a net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance for doubtful accounts was considered necessary as of December 31, 2019 and 2018.

8. Revenue Recognition

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Council records the following exchange transaction revenue in its statements of activities and changes in net assets for the years ending December 31, 2019 and 2018:

Product sales (as applicable)—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 33% on each sale they make, which may be used to offset the price of the popcorn they purchase from the Council. 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 separately in its statements of activities and changes in net assets gross revenues from popcorn 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 return-by an specific date. As of December 31, 2019, and 2018, no probable popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Revenue Recognition (Continued)

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

Special fundraising event revenue: The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event— the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the (consolidated) 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 obligation(s). Accordingly, the Council separately presents in its statements 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.

Other Revenue: Other revenue consists primarily of rent revenue and is recognized on a monthly basis as earned.

9. Functional allocation expenses

The cost of providing the various program and supporting services have been summarized on a functional basis in the statement of functional expenses.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Functional allocation expenses (continued)

Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Council providing those services.

In accordance with the policy of the National Council of Boy Scouts of America (“National Council”), the payments of the charter and national service fees to the National Council are not allocated as functional expenses.

10. Land, Buildings and Equipment

Donated land, buildings and equipment are recorded at their approximate fair market value at the date of donation. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

The cost and related accumulated depreciation of assets retired or sold are removed from the appropriate asset and depreciation accounts, and the resulting gain or loss is reflected in earnings, except for a gain or loss on assets traded where it is reflected on the basis of the newly acquired asset.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis.

11. Impairment of long-lived assets

The Council reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long-lived assets during 2019 and 2018.

12. Income taxes

Puerto Rico Council of Boy Scouts of America, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization is classified as a public charity. The Organization is also exempt from income tax under Section 1101.01 of Act No.1 of January 31, 2011 of the New Puerto Rico Internal Revenue Code of 2011 (formerly Section 1101 of the 1994 Code, as amended).

Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Council currently has no unrelated business income.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Income taxes (continued)

The Council assesses whether it is more likely than not that a tax position will be sustained upon examination of the technical merits or the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Organization recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits. Income tax returns for the years ended 2015 and thereafter remain subject to examination by the Department of Treasury.

13. Concentration of credit risk

Financial instruments, which potentially subject the Council to concentration of credit risk, consist of cash and accounts receivables. Bank deposits, at times, may exceed federally insured limits; however, management does not foresee significant credit risks on these deposits. In relation to accounts receivable, the Council establishes an allowance for doubtful accounts based on experience and other information. Management believes that no significant concentration of credit risk exists with respect to these financial instruments in excess of the amount for which a provision has been established.

14. Accounting pronouncements adopted

As of January 1, 2019, the Council adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), 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. Results for reporting the years ending December 31, 2019 and 2018 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

During the year, the Council also adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional.

ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606).

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Accounting pronouncements adopted (Continued)

If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018- OS stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending December 31, 2019 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

In 2019, the Council adopted the provisions of FASB ASU 2016-18, *Statement of Cash Flows (Topic 230)*. This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Council has applied the provisions of ASU 2016-18 to retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

Effective for the Council in 2019, FASB ASU 2016-01, *Financial Instruments - Overall Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825-10)* allows an NFP to choose, on an investment-by-investment basis, to report an equity investment without a readily determinable fair value, that does not qualify for the practical expedient fair value in accordance with FASB ASC 820-10-35-59. at its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issue. The FASB ASU requires additional disclosures about those investments. Adoption of this accounting pronouncement had no effect on the Council's 2018 and 2019 financial statements.

15. Recently issued accounting standards

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU 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 short-term leases.

Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. Recently issued accounting standards (Continued)

As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2019, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2020. Early adoption is permitted. The Council is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*, which changed the previous guidance for net asset classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. ASU 2016-14 reduced the required number of classes of net assets from three to two: *net assets with donor restrictions* and *net assets without donor restrictions*. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses was eliminated. ASU 2016-14 requires not-for-profit entities to disclose the aggregate fair value of underwater endowment funds as well as the aggregate original gift amounts to be maintained. ASU 2016-14 also requires an NFP to disclose its interpretation of the ability to spend from underwater endowment funds including its policy, and any actions taken during the period, concerning appropriation from underwater endowment funds. All underwater endowment funds are classified as part of net assets with donor restrictions rather than as a charge to unrestricted net assets as per the previous rules. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use the placed-in-service approach to account for capital gifts. The option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions must be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. For statements of cash flows, ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 was effective for annual reporting periods beginning after December 15, 2017. The Council adopted the provisions of ASU 2016-14 in 2018 and has retrospectively applied this standard to the financial statements as of and for the year ending December 31, 2017. Accordingly, adoption of this accounting pronouncement had no effect on 2018 net assets.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE B - ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Rent	\$ 2,451	\$ 2,225
Product sales	9,013	11,146
Other	<u>18,120</u>	<u>15,736</u>
	<u>\$ 29,584</u>	<u>\$ 29,107</u>

NOTE C – PLEDGES RECEIVABLE

In 2002, the Council received a conditional promise for cash contractors for \$7,477,000, from “Fideicomiso de los Niños”, a public instrumentality and not-for-profit corporation of the Commonwealth of Puerto Rico. On February 8, 2002, the Council signed a contract that was amended on November 8, 2002 and November 3, 2004.

The purpose of this grant is to construct a new camp to serve Cub Scouts (boys of six to ten years) next to the existing camp, acquire additional land to support both camps, and make both camps capable of accommodating the increasing number of women and individuals with physical needs that participate in the camp activities. This project has been divided into three phases. Under this contract the Council is required to comply with time limitations and other specific requirements of in order to receive these benefits. At December 31, 2009, the management of Fideicomiso granted an extension of the contract until June 30, 2012.

Thereafter, the Council’s Board met with the management of the “Fideicomiso de los Niños” to extend and change the conditional promise agreement. As a result, the management of “Fideicomiso de los Niños” agreed to pay directly to contractors, based on contract certifications, and decided to extend the conditional promise until the completion of the construction. In 2017 the Council received a payment of \$68,948 for the purchases of various equipments. The Council does not have the unconditional right to receive these funds.

The Council has an account receivable balance related to the Fideicomiso de Los Niños amounting to \$133,509.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE D –LAND, BULDINGS AND EQUIPMENT

	<u>2019</u>	<u>2018</u>
Land	\$ 1,022,732	\$ 1,022,732
Buildings	2,846,544	2,839,579
Building improvements	5,405,976	5,272,139
Furniture, fixtures and equipment	619,261	614,468
Motor and aquatic vehicles	<u>413,588</u>	<u>440,483</u>
	10,308,101	10,189,401
Less accumulated depreciation and amortization	<u>(3,247,459)</u>	<u>(2,869,256)</u>
	<u>\$ 7,060,642</u>	<u>\$ 7,320,145</u>

NOTE E – INVESTMENT IN MARKETABLE SECURITIES

The investment consists of marketable securities traded in the open market, which are stated at fair value. The securities cost and its fair values at December 31, 2019 and 2018 are summarized as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Investment in mutual funds	<u>\$ 306,876</u>	<u>\$ 388,420</u>	<u>\$ 295,876</u>	<u>\$ 316,760</u>

NOTE F – LONG-TERM DEBT

	<u>2019</u>	<u>2018</u>
Mortgage note, at 6.50%, payable in equal monthly installments of \$2,225, including interest through September 1, 2020, collateralized with 26.50 “cuerdas” land lot located at Camp Guajataca in San Sebastian, included in note D.	\$ 19,324	\$ 43,815
Less current portion	<u>(19,324)</u>	<u>(25,104)</u>
	<u>\$ -0-</u>	<u>\$ 18,711</u>

Principal payments required to be made for the next year is \$19,324.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE G – OPERATING LEASE AS LESSOR

The Council leases the Scout Shop to the National Council under an operating lease which expired on June 1, 2012. The lease was renewed on a month-to-month basis until a new agreement is signed. Rent income as of December 31, 2019 and 2018 amounted to \$42,120 and \$40,412, respectively.

NOTE H – COMMITMENTS AND CONTINGENCIES

In December 1962, pursuant to a ratify deed of purchase, the Council acquired a parcel of land (Guajataca 1). The property received was restricted for purposes consistent with those of the Boy Scout policies and in case of cease in operations or a change in the use of the land for other than scouting purposes, the land and any improvement will revert with no mediation of money to the Puerto Rico Commonwealth. The market value of the property was the amount paid of \$1. Another land (Guajataca 2) was acquired on June 21, 2005. Pursuant to the deed of purchase the land shall be used only for Council activities and scouting development. These activities could not include any religious or political activity. The land was purchased to build and improve the property with the “Servicios de Ayuda del Fideicomiso de Los Niños” funds. The Council is not allowed to rent, sell, levy, transfer or dispose of the property without the written consent of the Fideicomiso until July 1, 2026.

The Council is subject to legal proceedings and claims, which have arisen in the ordinary course of business. Although there can be no assurances in this regard, in the opinion of management and after consulting with its attorneys, such proceedings as well as the aforementioned actions will not have a material adverse effect, if any, on the Company's financial condition or results of operations. The Council holds an insurance policy with National which provides full defense and coverage in all judicial matters upon the deductible payment of \$15,000 per case. Upon payment, the Council no longer has any bearing in the litigation and all decisions regarding the litigation as well as any potential adverse judgment becomes the financial responsibility and concern of the National Office. The Organization contracted a specialist to work with the claims made to the insurance company related to the damages suffered in their facilities relating to the Hurricane Maria. On May 11, 2018, the Organization received the amount of \$852,235, as a payment to recover the losses sustained.

On February 18, 2020, the Boy Scouts of America (National Council) filed a bankruptcy petition in the U.S. District Court for the District of Delaware. The National Council received multiple abuse claims from former scouts, so the National office declared that the filing reason is to consolidate numerous cases in one proceeding, pay its victims and emerge as a sustainable entity. As of now, potential victims have up to November 16, 2020 (the Bar Date) to join.

The legal advisors of Puerto Rico Council understand that it is untimely to determine if the Council will be affected with those claims. It is important to note that local councils are separate legal entities from the National Council and its relationship is as a type of franchise arrangement.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

However, although the case is in an early stage, the National Council requested an inventory list of all property and assets held by the Puerto Rico Council. That's because victim's attorneys believe those assets should be included in the national bankruptcy, but as of now this is a major point of dispute.

At the date of the financial statements, the Puerto Rico Council, as every other Local Council in the United States, is uncertain as to what are the exact claims, claimants, or lawsuits, if any, against the Council. The National Council informed that the specific information about claims will be provided by BSA National Council to Local Councils as soon as they gather and verify the information.

NOTE I —ENDOWMENT FUND

The Council's endowment fund includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Unrestricted net assets, identified by the Council's board of directors to be used for future investment and growth, are included in unrestricted net assets—board-designated.

NOTE J – RETIREMENT PLAN

The National Council has a qualified defined benefit pension plan ("the plan") administered at the National Service Center that covers employees of the National Council and local councils, including Puerto Rico Council of Boy Scouts of America, Inc.

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 (non-grandfathered employees). 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) contribute 4.25 percent of compensation to the plan. The Council contributes 7.75 percent of eligible employees' compensation to the BSA retirement program. Pension expense (excluding the contributions made by employees) was \$16,790 and \$13,335 in 2019 and 2018, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2019, indicates that it is in compliance with ERISA regulations regarding funding.

BSA Match Savings Plan

The Council participates in a defined contribution plan established by the National Council of the Boy Scouts of America. The plan name is the BSA Match Savings Plan, which covers substantially all of the employees of the Council. Participants in the BSA Match Savings Plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended.

**PUERTO RICO COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

BSA Match Savings Plan

The Council matches employee contributions to the BSA Match Savings Plan up to 100 percent of contributions from each participant, limited to 6 percent of each employee's gross pay. The Council contributed \$14,352 to the BSA Match Savings Plan in 2019.

NOTE K – SUBSEQUENT EVENTS

The Council has evaluated subsequent events through September 30, 2020. The Council has determined that there are no events occurring in this period that required disclosure in or adjustment to the accompanying financial statements.

PUERTO RICO COUNCIL OF BOY SCOUTS OF AMERICA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31 2019 AND 2018

	Operating Fund		Capital fund		Endowment Fund		Total Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
ASSETS								
Cash and cash equivalents	\$ 394,695	\$ 752,016	\$ -	\$ -	\$ 22,928	\$ 22,928	\$ 417,623	\$ 774,944
Cash restricted	-	-	-	-	-	-	-	-
Accounts receivable	29,584	29,108	133,509	292,084	-	-	163,093	321,192
Inventories	-	1,808	-	-	-	-	-	1,808
Prepaid expenses	24,505	4,804	-	-	-	-	24,505	4,804
Total current assets	448,784	787,736	133,509	292,084	22,928	22,928	605,221	1,102,748
Land, building and equipment, net	-	-	7,060,642	7,320,145	-	-	7,060,642	7,320,145
Long term investments	-	-	-	-	388,420	316,760	388,420	316,760
Total noncurrent assets	-	-	7,060,642	7,320,145	388,420	316,760	7,449,062	7,636,905
Total assets	\$ 448,784	\$ 787,736	\$ 7,194,151	\$ 7,612,229	\$ 411,348	\$ 339,688	\$ 8,054,283	\$ 8,739,653
LIABILITIES AND NET ASSETS								
Current portion of long term debt	\$ -	\$ -	\$ 19,324	\$ 25,104	\$ -	\$ -	\$ 19,324	\$ 25,104
Accounts payable	73,705	27,894	133,509	292,084	-	-	207,214	319,978
Accrued liabilities	28,397	28,397	-	617	-	-	28,397	29,014
Custodial accounts	13,591	-	-	-	-	-	13,591	-
Deferred income	9,785	30,438	-	-	-	-	9,785	30,438
Total current liabilities	125,477	86,729	152,833	317,805	-	-	278,310	404,534
Long term debt	-	-	-	18,711	-	-	-	18,711
Total liabilities	125,477	86,729	152,833	336,516	-	-	278,310	423,245
Net assets								
Without donor restrictions	323,307	701,007	1,151,982	1,022,296	17,210	17,210	1,492,499	1,740,513
With donor restrictions	-	-	5,889,336	6,253,417	394,138	322,478	6,283,474	6,575,895
Total net assets	323,307	701,007	7,041,318	7,275,713	411,348	339,688	7,775,973	8,316,408
Total liabilities and net assets	\$ 448,784	\$ 787,737	\$ 7,194,151	\$ 7,612,229	\$ 411,348	\$ 339,688	\$ 8,054,283	\$ 8,739,654