

Greater Hudson Valley Council, Inc. Boy Scouts of America

Consolidated Financial Statements

Years Ended December 31, 2022 and 2021



WIPFLI

Independent Auditor's Report

Board of Directors
Greater Hudson Valley Council, Inc. Boy Scouts of America
Fishkill, New York

Opinion

We have audited the accompanying consolidated financial statements (the "consolidated financial statements") of Greater Hudson Valley Council, Inc. Boy Scouts of America (the "Council"), a nonprofit organization, which comprise the accompanying consolidated statement of financial position as of December 31, 2022, and the related accompanying consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater Hudson Valley Council, Inc. Boy Scouts of America as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Hudson Valley Council, Inc. Boy Scouts of America's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated 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 consolidated 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 Greater Hudson Valley Council, Inc. Boy Scouts of America'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Hudson Valley Council, Inc. Boy Scouts of America's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

Prior Period Consolidated Financial Statements

The financial statements of Greater Hudson Valley Council, Inc. Boy Scouts of America as of December 31, 2021, were audited by other auditors whose report dated May 31, 2024 expressed an unmodified opinion opinion on those financial statements.

Wipfli LLP

Wipfli LLP

Duluth, Minnesota
February 18, 2025

Greater Hudson Valley Council, Inc.
Boy Scouts of America
Consolidated Statements of Financial Position

December 31, 2022 and 2021

Assets	Operating Fund		Capital Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Current assets:								
Cash and cash equivalents	\$ 566,364	\$ 210,821	\$ 370,995	\$ 3,079,837	\$ 17,064	\$ 46,409	\$ 954,423	\$ 3,337,067
Accounts receivable - Net	15,648	8,144	-	-	-	-	15,648	8,144
Contributions receivable - Net	8,945	4,740	-	6,750	-	-	8,945	11,490
Inventory	49,500	51,612	-	-	-	-	49,500	51,612
Prepaid expenses	29,908	39,114	-	-	-	-	29,908	39,114
Interfund loans	(176,763)	(103,510)	(6,893)	(80,146)	183,656	183,656	-	-
Total current assets	493,602	210,921	364,102	3,006,441	200,720	230,065	1,058,424	3,447,427
Property and equipment - Net	-	-	4,345,871	6,205,113	-	-	4,345,871	6,205,113
Right of use asset - operating lease	504,101	-	-	-	-	-	504,101	-
Right of use asset - finance lease	-	-	24,959	-	-	-	24,959	-
Other assets:								
Investments	-	-	-	-	10,747,246	13,913,811	10,747,246	13,913,811
Beneficial interest in charitable gift annuity	-	-	-	-	9,426	10,783	9,426	10,783
Total other assets	-	-	-	-	10,756,672	13,924,594	10,756,672	13,924,594
TOTAL ASSETS	\$ 997,703	\$ 210,921	\$ 4,734,932	\$ 9,211,554	\$ 10,957,392	\$ 14,154,659	\$ 16,690,027	\$ 23,577,134
Liabilities and Net Assets	Operating Fund		Capital Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Current liabilities:								
Accounts payable	\$ 57,313	\$ 31,182	\$ 354	\$ -	\$ -	\$ -	\$ 57,667	\$ 31,182
Accrued expenses	(1,695)	13,479	-	-	-	-	(1,695)	13,479
Custodial accounts	123,805	71,037	-	-	-	-	123,805	71,037
Deferred revenue	274,749	56,140	-	-	-	-	274,749	56,140
Current portion of notes payable	7,692	7,692	-	21,945	-	-	7,692	29,637
Current portion of operating lease liability	71,413	-	-	-	-	-	71,413	-
Current portion of finance lease liability	-	-	11,088	-	-	-	11,088	-
Other current liabilities	-	6,367,835	-	929,248	-	-	-	7,297,083
Total current liabilities	533,277	6,547,365	11,442	951,193	-	-	544,719	7,498,558
Long-term liabilities:								
Operating lease liability - net of current portion	463,504	-	-	-	-	-	463,504	-
Finance lease liability - net of current portion	-	-	14,351	-	-	-	14,351	-
Note payable - net of current portion	140,117	142,308	-	-	-	-	140,117	142,308
Total liabilities	1,136,898	6,689,673	25,793	951,193	-	-	1,162,691	7,640,866
Net assets:								
Without donor restrictions	(185,865)	(6,529,587)	4,028,044	7,833,933	2,408,246	5,180,056	6,250,425	6,484,402
With donor restrictions	46,670	50,835	681,095	426,428	8,549,146	8,974,603	9,276,911	9,451,866
Total net assets	(139,195)	(6,478,752)	4,709,139	8,260,361	10,957,392	14,154,659	15,527,336	15,936,268
TOTAL LIABILITIES AND NET ASSETS	\$ 997,703	\$ 210,921	\$ 4,734,932	\$ 9,211,554	\$ 10,957,392	\$ 14,154,659	\$ 16,690,027	\$ 23,577,134

See accompanying notes to financial statements.

Greater Hudson Valley Council, Inc.

Boy Scouts of America

Consolidated Statements of Activities

Years Ended December 31, 2022 and 2021

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Changes in net assets without donor restrictions:								
Direct support:								
Friends of Scouting	\$ 169,437	\$ 178,176	\$ -	\$ -	\$ -	\$ -	\$ 169,437	\$ 178,176
Foundations and trusts	690	27,000	-	-	-	-	690	27,000
Legacies and bequests	159,217	138,267	-	-	-	-	159,217	138,267
Other direct support	11,359	8,073	-	-	-	-	11,359	8,073
Special events	211,608	226,547	-	-	-	-	211,608	226,547
Less: Direct cost of special events	(64,820)	(64,972)	-	-	-	-	(64,820)	(64,972)
Special events - Net	146,788	161,575	-	-	-	-	146,788	161,575
Total direct support	487,491	513,091	-	-	-	-	487,491	513,091
Indirect support:								
United Way	611	339	-	-	-	-	611	339
Government grants	-	239,038	-	-	-	-	-	239,038
Total indirect support	611	239,377	-	-	-	-	611	239,377
Net assets released from restriction	20,297	59,781	-	-	-	-	20,297	59,781
Revenue:								
Sales of supplies - gross	7,559	33,440	-	-	-	-	7,559	33,440
Less cost of goods sold	-	(6,852)	-	-	-	-	-	(6,852)
Net sales of supplies	7,559	26,588	-	-	-	-	7,559	26,588
Product sales	363,375	354,101	-	-	-	-	363,375	354,101
Less: Cost of goods sold	(98,574)	(119,748)	-	-	-	-	(98,574)	(119,748)
Less: Commissions paid to units	(125,305)	(119,119)	-	-	-	-	(125,305)	(119,119)
Net product sales	139,496	115,234	-	-	-	-	139,496	115,234
Other revenue:								
Camping revenue	998,742	748,033	-	-	-	-	998,742	748,033
Activity revenue	179,215	138,080	-	-	-	-	179,215	138,080
Investment income - Net	536,400	511,087	150,021	151,422	(2,135,676)	918,536	(1,449,255)	1,581,045
Gain on sale and disposal of assets	-	-	2,122,931	1,057,839	-	-	2,122,931	1,057,839
Council participant fees	512,340	405,871	-	-	-	-	512,340	405,871
Other	151,393	381,591	5,044	-	-	-	156,437	381,591
Total other revenue	2,378,090	2,184,662	2,277,996	1,209,261	(2,135,676)	918,536	2,520,410	4,312,459
Total revenue	2,525,145	2,326,484	2,277,996	1,209,261	(2,135,676)	918,536	2,667,465	4,454,281
Total support and revenue	3,033,544	3,138,733	2,277,996	1,209,261	(2,135,676)	918,536	3,175,864	5,266,530

Greater Hudson Valley Council, Inc.

Boy Scouts of America

Consolidated Statements of Activities (Continued)

Years Ended December 31, 2022 and 2021

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Expenses:								
Program services	2,658,099	2,485,250	360,757	1,189,357	-	-	3,018,856	3,674,607
Support services:								
Management and general	215,564	218,292	1,023	22,422	-	-	216,587	240,714
Fundraising	113,106	114,802	1,492	19,219	-	-	114,598	134,021
Total support services	328,670	333,094	2,515	41,641	-	-	331,185	374,735
Total functional expenses	2,986,769	2,818,344	363,272	1,230,998	-	-	3,350,041	4,049,342
Contribution to settlement trust	-	6,367,835	-	-	-	-	-	6,367,835
Charter and National service fees	59,800	52,000	-	-	-	-	59,800	52,000
Total expenses	3,046,569	9,238,179	363,272	1,230,998	-	-	3,409,841	10,469,177
Merger with Hudson Valley Council	-	(453,450)	-	2,292,566	-	75,000	-	1,914,116
Increase (decrease) in net assets without donor restrictions	(13,025)	(6,552,896)	1,914,724	2,270,829	(2,135,676)	993,536	(233,977)	(3,288,531)
Changes in net assets with donor restrictions:								
Direct support:								
Capital campaign	-	-	72,433	370,818	-	-	72,433	370,818
Foundations and trusts	-	10,000	-	1,500	-	-	-	11,500
Legacies and bequests	-	-	181,534	-	-	90	181,534	90
Special events	-	2,470	-	-	-	-	-	2,470
Other direct support	16,132	3,454	700	-	2,996	4,625	19,828	8,079
Total direct support	16,132	15,924	254,667	372,318	2,996	4,715	273,795	392,957
Other revenue:								
Investment income - Net	-	-	-	-	(427,096)	287,552	(427,096)	287,552
Change in value of beneficial interest in charitable gift annuities	-	-	-	-	(1,357)	(1,470)	(1,357)	(1,470)
Net assets released from restriction	(20,297)	(59,781)	-	-	-	-	(20,297)	(59,781)
Merger with Hudson Valley Council	-	-	-	-	-	4,315,909	-	4,315,909
Increase (decrease) in net assets with donor restrictions	(4,165)	(43,857)	254,667	372,318	(425,457)	4,606,706	(174,955)	620,728
Change in total net assets	(17,190)	(6,596,753)	2,169,391	2,643,147	(2,561,133)	5,600,242	(408,932)	1,646,636
Net assets, beginning of the year:								
Without donor restrictions	(6,529,587)	23,309	7,833,933	4,813,104	5,180,056	4,936,520	6,484,402	9,772,933
With donor restrictions	50,835	94,692	426,428	54,110	8,974,603	4,367,897	9,451,866	4,516,699
Total net assets, beginning of the year	(6,478,752)	118,001	8,260,361	4,867,214	14,154,659	9,304,417	15,936,268	14,289,632
Transfers of net assets	6,356,747	-	(5,720,613)	750,000	(636,134)	(750,000)	-	-
Net assets, end of the year:								
Without donor restrictions	(185,865)	(6,529,587)	4,028,044	7,833,933	2,408,246	5,180,056	6,250,425	6,484,402
With donor restrictions	46,670	50,835	681,095	426,428	8,549,146	8,974,603	9,276,911	9,451,866
Total net assets, end of the year	\$ (139,195)	\$ (6,478,752)	\$ 4,709,139	\$ 8,260,361	\$ 10,957,392	\$ 14,154,659	\$ 15,527,336	\$ 15,936,268

See accompanying notes to financial statements.

Greater Hudson Valley Council, Inc.

Boy Scouts of America

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services	Supporting Services		2022 Total
		Management and General	Fundraising	
Employee compensation:				
Salaries	\$ 1,033,101	\$ 57,328	\$ 49,139	\$ 1,139,568
Employee benefits	170,670	13,467	11,544	195,681
Payroll taxes and worker's compensation	101,359	6,102	5,229	112,690
Employee related expenses	1,920	155	132	2,207
Total employee compensation	1,307,050	77,052	66,044	1,450,146
Other expenses:				
Professional fees	81,440	110,186	4,460	196,086
Supplies	389,544	1,300	3,089	393,933
Supplies and other for special events	-	-	64,820	64,820
Popcorn expenses	98,574	-	-	98,574
Commissions paid to units	125,305	-	-	125,305
Telephone	32,853	1,076	923	34,852
Postage and shipping	5,489	307	1,870	7,666
Occupancy	399,020	7,301	6,257	412,578
Rent and maintenance of equipment	33,223	1,647	1,415	36,285
Printing and publications	4,397	284	4,222	8,903
Travel	114,661	3,237	2,779	120,677
Conferences and meetings	36,242	1,834	1,572	39,648
Specific assistance to individuals	23,508	1,891	1,622	27,021
Recognition awards	49,063	1,211	11,752	62,026
Interest	5,762	464	396	6,622
Insurance	130,962	115	100	131,177
Miscellaneous	118,238	7,761	7,308	133,307
Total other expenses	1,648,281	138,614	112,585	1,899,480
Expenses before depreciation	2,955,331	215,666	178,629	3,349,626
Depreciation and amortization	287,404	921	789	289,114
Total expenses	3,242,735	216,587	179,418	3,638,740
Less expenses included with revenue on the statement of activities:				
Direct cost of special events	-	-	(64,820)	(64,820)
Cost of goods sold - popcorn	(98,574)	-	-	(98,574)
Commissions paid to units	(125,305)	-	-	(125,305)
Total functional expenses	\$ 3,018,856	\$ 216,587	\$ 114,598	\$ 3,350,041

See accompanying notes to financial statements.

Greater Hudson Valley Council, Inc.

Boy Scouts of America

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services	Supporting Services		2021 Total
		Management and General	Fundraising	
Employee compensation:				
Salaries	\$ 1,074,544	\$ 52,284	\$ 44,815	\$ 1,171,643
Employee benefits	149,533	11,707	10,034	171,274
Payroll taxes and worker's compensation	82,455	4,131	3,541	90,127
Total employee compensation	1,306,532	68,122	58,390	1,433,044
Other expenses:				
Professional fees	55,848	128,116	3,906	187,870
Supplies	299,955	974	7,604	308,533
Supplies and other for special events	-	-	64,972	64,972
Cost of goods sold	6,852	-	-	6,852
Popcorn expenses	119,748	-	-	119,748
Commissions paid to units	119,119	-	-	119,119
Telephone and communication	33,084	1,203	1,031	35,318
Postage and Shipping	7,698	516	1,839	10,053
Occupancy	302,714	2,437	2,089	307,240
Rent and maintenance of equipment	41,450	2,090	1,791	45,331
Publication and Media	9,564	560	5,467	15,591
Travel	71,772	2,034	1,743	75,549
Conferences and meetings	13,180	39	34	13,253
Specific assistance to individuals	13,133	1,057	906	15,096
Recognition awards	44,900	994	13,467	59,361
Interest expenses	7,880	634	543	9,057
Insurance	195,248	-	-	195,248
Other expenses	222,634	16,554	22,024	261,212
Total other expenses	1,564,779	157,208	127,416	1,849,403
Expenses before depreciation	2,871,311	225,330	185,806	3,282,447
Depreciation & Amortization	1,049,015	15,384	13,187	1,077,586
Total expenses	3,920,326	240,714	198,993	4,360,033
Less expenses included with revenue on the statement of activities:				
Direct cost of special events	-	-	(64,972)	(64,972)
Cost of goods sold - supplies	(6,852)	-	-	(6,852)
Cost of goods sold - popcorn	(119,748)	-	-	(119,748)
Commissions paid to units	(119,119)	-	-	(119,119)
Total functional expenses	\$ 3,674,607	\$ 240,714	\$ 134,021	\$ 4,049,342

See accompanying notes to financial statements.

Greater Hudson Valley Council, Inc.

Boy Scouts of America

Consolidated Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Cash flows from operating activities:								
Change in net assets	\$ (17,190)	\$ (6,596,753)	\$ 2,169,391	\$ 2,643,147	\$ (2,561,133)	\$ 5,600,242	\$ (408,932)	\$ 1,646,636
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:								
Contribution of non-cash net assets from merger	-	-	-	(2,219,039)	-	(4,131,300)	-	(6,350,339)
Depreciation and amortization	-	-	289,114	1,077,586	-	-	289,114	1,077,586
Gain on sale and disposal of fixed assets	-	-	(2,122,931)	(1,057,839)	-	-	(2,122,931)	(1,057,839)
Net loss (gain) on investments	-	-	-	-	1,920,614	(1,743,712)	1,920,614	(1,743,712)
Contributions restricted for long term use	-	-	-	-	-	(4,715)	-	(4,715)
Change in value of beneficial interest in charitable gift annuity	-	-	-	-	1,357	1,470	1,357	1,470
Changes in operating assets and liabilities								
Contributions receivable and other receivables	(11,709)	60,374	6,750	250	-	30,000	(4,959)	90,624
Inventory	2,112	(1,882)	-	-	-	-	2,112	(1,882)
Prepaid and deferred activity expenses	9,206	1,188	-	-	-	-	9,206	1,188
Accounts payable and accrued expenses	10,957	135,583	354	115,417	-	(251,000)	11,311	-
Interfund accounts	73,253	(31,741)	(73,253)	(20,605)	-	-	-	(52,346)
Custodial accounts	52,768	(183,459)	-	-	-	-	52,768	(183,459)
Deferred activity and other revenue	218,609	(37,524)	-	12,968	-	-	218,609	(24,556)
Net change in operating right of use assets and operating leases	30,816	-	-	-	-	-	30,816	-
Accrued contribution for settlement Trust	(6,367,835)	6,367,835	(929,248)	-	-	-	(7,297,083)	6,367,835
Net cash provided by (used in) operating activities	(5,999,013)	(286,379)	(659,823)	551,885	(639,162)	(499,015)	(7,297,998)	(233,509)
Cash flows from investing activities:								
Proceeds from sale of investments	-	-	-	-	1,395,466	1,951,448	1,395,466	1,951,448
Purchases of investments	-	-	-	-	(149,515)	(1,147,241)	(149,515)	(1,147,241)
Proceeds from sale of property and equipment	-	-	4,019,096	2,600,000	-	-	4,019,096	2,600,000
Purchases of property and equipment	-	-	(315,340)	(988,815)	-	-	(315,340)	(988,815)
Net cash provided by (used in) investing activities	-	-	3,703,756	1,611,185	1,245,951	804,207	4,949,707	2,415,392
Cash flows from financing activities:								
Repayment of long-term debt	(2,191)	-	(21,945)	(33,099)	-	-	(24,136)	(33,099)
Borrowings on loan payable, Net	-	100,000	-	-	-	-	-	100,000
Payments on finance lease liability	-	-	(10,217)	-	-	-	(10,217)	-
Interfund transfers	6,356,747	-	(5,720,613)	750,000	(636,134)	(750,000)	-	-
Contributions restricted for endowments	-	-	-	-	-	4,715	-	4,715
Net cash provided by (used in) financing activities	6,354,556	100,000	(5,752,775)	716,901	(636,134)	(745,285)	(34,353)	71,616
Net increase (decrease) in cash	355,543	(186,379)	(2,708,842)	2,879,971	(29,345)	(440,093)	(2,382,644)	2,253,499
Cash and at beginning of year	210,821	397,200	3,079,837	199,866	46,409	486,502	3,337,067	1,083,568
Cash and cash equivalents at end of year	\$ 566,364	\$ 210,821	\$ 370,995	\$ 3,079,837	\$ 17,064	\$ 46,409	\$ 954,423	\$ 3,337,067
Supplemental cash flow information								
Cash paid for amounts included in the measurement of lease liabilities:								
Operating cash flows from finance leases	\$ -	\$ -	\$ 871	\$ -	\$ -	\$ -	\$ 871	\$ -
Operating cash flows from operating leases	58,290	-	-	-	-	-	58,290	-
Financing cash flows from finance leases	-	-	10,217	-	-	-	10,217	-
Right-of-use assets obtained in exchange for new finance lease liabilities	-	-	35,656	-	-	-	35,656	-
Right-of-use assets obtained in exchange for new operating lease liabilities	583,175	-	-	-	-	-	583,175	-
Cash paid for interest	\$ -	\$ -	\$ 6,622	\$ -	\$ -	\$ -	\$ 6,622	\$ -

See accompanying notes to financial statements.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Greater Hudson Valley Council, Inc. Boy Scouts of America (the "Council") was formed on January 1, 2021 from a merger of the Hudson Valley Council, Inc. Boy Scouts of America and the Westchester-Putnam Council, Inc. The Council operating in the counties of Westchester, Putnam, Dutchess, Orange, Sullivan, New York, and Pike County, Pennsylvania. The Council has four camping facilities located within the service area. The Council is an independent not-for-profit corporation devoted to promoting, within the territory covered by the charter granted it by the Boy Scouts of America and in accordance with the congressional program, the ability of boys and girls and young men and women to do things for themselves and others, training them in scoutcraft and teaching them patriotism, courage, self-reliance, and to prepare them to make ethical choices over their lifetime and achieve their full potential using the methods which are now in common use by the Boy Scouts of America. The Council delivered the Scouting program to 7,605 youth members in 2022.

The Council's programs are classified as follows:

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

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

Cub Scouting – Family and community-centered approach for boys ages 8 through 10 for teaching citizenship, compassion, social skills and courage through service projects, ceremonies, games and other activities that promote character development and physical fitness.

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

Venturing – Provides experiences to help young men and women, ages 13 or 14 with completion of eighth grade through age 20, become mature, responsible, caring adults. Young teens 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.

The Council's website address is www.ghvscouting.org.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The consolidated financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Basis of Presentation

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

- *Net Assets without Donor Restrictions* - The part of net assets of the Council that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).
- *Net Assets with Donor Restrictions* - The part of net assets of the Council that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Stipulations may be met, either by actions of the Council and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Consolidated Financial Statements

The Council has voting control and an economic interest in the Trust Funds which results in the Trust Funds' accounts being consolidated with those of the Council in the accompanying consolidated financial statements. All intercompany transactions have been eliminated in consolidation. The Council and the Trust Funds are herein collectively referred to as the "Council." The Council is a trustee under four different Trust Funds which are included in the endowment fund. Descriptions of the funds are as follows:

Fund A – Council: Fund A was formed in 1974 with distributions designated to support the Council's administrative and operating expenses.

Fund B – Camping: Fund B was established in 1994 with distributions designated to support camping operations and capital improvements.

Durland Fund: The Durland Fund was established in 1982 with distributions restricted for the support of Camp Durland, a.k.a. Durland Scout Reservation and other uses as determined by the Executive Board.

Bullowa Trust: The Bullowa Trust was established in 1946 for the benefit of the Hudson Valley Council. Under the terms of the Bullowa Trust Indenture, the income of the Bullowa Trust is to be used to pay for expenses to maintain Camp Bullowa, located in Stony Point, New York.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting and Description of Funds

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Council are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. The Council segregates and reports assets, liabilities, net assets, income, and expenses in three self-balancing funds as follows:

Operating Fund - The operating fund consists of expendable funds that are available for support of the Council's general operations.

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.

Endowment Fund - Gifts, memorials, and bequests subject to donor stipulations that require the principal to be invested for perpetuity in donor-restricted endowment funds and amounts designated by the Board to be invested in Board-designated endowment funds. Investment income available for distribution is presented as net assets without donor restrictions.

Certain donor-restricted net assets have been restricted by donors to be maintained by the Council in perpetuity.

Cash

The Council considers all short-term cash accounts to be cash equivalents. The Council considers short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

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

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions Receivable

Contributions receivable consists of Friends of Scouting, special events and other promises to give. Unconditional promises to give are recorded as receivables in the year promised. Conditional promises are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Promises to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Contributions receivable expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the promise.

Management individually reviews all past due contribution receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of contribution receivable are reduced by allowances that reflect management's estimate of uncollectible amounts. As of December 31, 2022 and 2021, an allowance for uncollectible contributions of \$500 and \$4,455 was reported.

Interfund Loans

The interfund advances resulted from the Endowment Fund making advances of cash to the Operating and Capital Fund for operating purposes. Advances are scheduled to be repaid within one year are classified as current.

Inventories

Inventories consist of Scouting supplies and other items available for resale. Cost is determined using the average cost method. Inventories as of December 31, 2022 and 2021 are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Property and Equipment

Land, buildings, and equipment purchased are recorded at cost. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to the appropriate fund. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. It is the Council's policy to capitalize assets with a value of \$5,000 or more and with a useful life greater than one year.

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.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Council reviews long-lived assets, including property and equipment, 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 Council has not recognized any impairment of long lived assets during 2022 or 2021.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated investments are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

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

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Custodial Accounts

The Council acts as the fiscal sponsor for various other scouting units. As the fiscal sponsor, the Council coordinates the financial activities, through the receipt and disbursement of funds, on behalf of the various units. Revenue and expenses are not recognized in the accompanying consolidated statements of activities. Cash receipts in excess of disbursements are reflected in the custodial accounts liability in the consolidated statements of financial position.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

ASC 842 Lease Accounting

The Council is a lessee in an operating lease and a finance lease. If the contract provides the Council the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Council has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, the Council has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Council is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Council recognizes short-term lease cost on a straight-line basis over the lease term.

The Council made an accounting policy election for all underlying classes of assets to not separate the lease components of a contract and its associated non-lease components such as lessor-provided maintenance and other services.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue

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

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

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

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

Donated Materials, Facilities, 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 Council reports the donations as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Council 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 consolidated 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 Council's program services and its fundraising campaigns, the value of which is not recorded in the accompanying consolidated financial statements.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Council records the following exchange transaction revenue in its statements of activities for the years ending December 31, 2022 and 2021:

Trading Post sales - The Council sells select Scouting-related items at its Trading Post during camp 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 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, 2022 and 2021.

Product sales - To help Scout packs and troops raise the money they need to fund programs and activities throughout the year, the Council participates in the Trail's End Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The Scout packs and troops earn a commission of 35% on each sale they make, 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 date. As of December 31, 2022 and 2021, minimal popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Camping and Activity revenue - The Council conducts program-related experiences such as Day Camps, Day Hikes, Weekend Overnights, Camporees, and Summer Camps where the performance obligation is delivery of the program. Fees for camps and activities are set by the Council. For resident camps, fees include program supplies, meals, lodging, recognition items, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation. Activities such as the National Scout Jamboree may include a transportation component in the transaction price. Some special camp programs do incur additional fees (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 event revenue - The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event— the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligations. Accordingly, the Council separately presents in its 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.

Council Participation Fees - An annual Council Participation Fee is assessed to all youth participating in Cub Scouts, Scouts BSA and Venturing programs and collected as a part of a unit's annual re-registration, often referred to as "rechartering." Nationwide, many councils have successfully transitioned to Council participation/program fees to replace the traditional Family Friends of Scouting fundraising campaign. This allows the Council staff and volunteer time to be used in directly supporting its units and programs instead of soliciting contributions. Identification of the contract is the paid participation/program fee. The participation fee makes it possible for the Council to provide district activities, like Day Camps and Camporees, extensive camping adventures including family camping weekends, program resources, liability insurance for those participating in approved Scouting activities, and youth protection—all of which are essential and integral to delivering the Scouting program. Each promised service described above is capable of being distinct.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

For instance, the Council could hire a consulting firm to develop program resources for members. However, the promises involve tightly integrated services that the Council needs to attract, enroll, educate, protect, and support its members, all of which are highly interrelated and dependent on other services in the contract. The Council has no history of selling individual services (i.e., program resources) to any member on a standalone basis and does not market or sell its services piecemeal. Members benefit from the services provided by the BSA as customers are able to join the BSA and participate in the Scouting program. As a result, none of these promised services are considered “distinct” on their own since they are not distinct within the context of the customer contracts. All promised services have been bundled as part of a single performance obligation, which is to attract, enroll, educate, protect, and support its members.

The Council has concluded that the single identified performance obligation is delivered as its members receive and consume benefits. This occurs ratably over the annual membership period. The transaction price is clearly indicated on the online unit recharter application. As fees are separately identified on the online forms and directly associated with the performance obligation, the full transaction price is allocated to the single performance obligation. Participation fee revenues are recognized ratably over the annual membership period as the Council delivers its single performance obligation. Participation fees collected in advance of satisfaction of the BSA’s performance obligation are recorded as a contract liabilities (i.e., deferred revenues). Contract liabilities are reclassified to revenues as the revenues are earned over the annual membership period.

Other Revenue - Other revenue consists of rent revenue and other miscellaneous revenue. Rent revenue is recognized on a monthly basis as earned. Other revenue is insignificant and is recognized when received.

Sales and other taxes the Council collects concurrent with revenue-producing activities are excluded from revenue.

Functional Allocation of Expenses

The costs of providing the Scouting program and supporting services have been summarized on the consolidated statement of activities and changes in net assets on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, insurance, and professional fees, which are allocated on the basis of estimates of time and effort. The basis of allocation of these expenses is the result of a time study of staff performed every 3 years. The percentage of time allocated to each of the programs and the supporting functions is based on the average of the results of three separate studies and is applied to the expenses that are allocated. In accordance with the policy of the National Council of the Boy Scouts of America (the “National Council”), the payment of the charter fee to the National Council is not allocated as a functional expense. The consolidated financial statements report expenses by function in the consolidated statements of functional expenses.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Council 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 Council is classified as a public charity. The Council currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

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 Council recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits.

Use of Estimates

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts as previously reported in the 2021 consolidated financial statements have been reclassified to conform to the 2022 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Change in Accounting Policy

As of January 1, 2022, the Council adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets* (Topic 958). The amendments in this update requires entities to present contributed nonfinancial assets as a separate line item in the statement of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements. There were no material contributed non-financial assets during the years ended December 31, 2022 or 2021.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy (Continued)

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the balance sheet. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Council adopted this guidance for the year ended December 31, 2022 with modified retrospective application to January 1, 2022 through a cumulative-effect adjustment. The Council has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Council accounted for its existing operating leases as operating leases and capital leases as finance leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of December 31, 2018) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Similarly, the Council did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

This standard did not have a material impact on the Organization's net assets or cash flows from operations and had an immaterial impact on the Organization's operating results. The most significant impact was the recognition of the ROU assets and lease obligations for operating leases

Subsequent Events

The Council has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 18, 2025, which is the date the consolidated financial statements were available to be issued.

Note 2: Accounts Receivable and Contract Balances

Opening and closing balances for contract assets, contract liabilities, and accounts receivable arising from contracts with customers include:

	12/31/2022	12/31/2021
Contract liabilities	\$ 274,749	\$ 57,536
Accounts receivable	\$ 15,648	\$ 8,144

Contract assets arise when the Council transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Council is able to invoice the customer. There were no contract assets at December 31, 2022 or 2021. Contract liabilities represent the Council's obligation to transfer goods or services to a customer when consideration has already been received from the customer. When transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognized.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 3: Contributions Receivable

Contributions receivable consisted of the following:

<i>Years Ended December 31,</i>	2022	2021
Friends of Scouting	\$ 500	\$ 4,925
Special events	7,100	2,500
Capital campaign	-	6,750
Other direct	1,845	1,770
Totals	\$ 9,445	\$ 15,945

Contributions receivable are expected to be collected as follows:

<i>As of December 31,</i>	2022	2021
Less than one year	\$ 9,445	\$ 15,945
Less allowance for doubtful accounts	(500)	(4,455)
Contributions receivable - net	\$ 8,945	\$ 11,490

Note 4: Property and Equipment

A summary of property and equipment is as follows:

<i>As of December 31, 2022</i>	Estimated Life	Cost	Accumulated Depreciation	Net
Land		\$ 1,114,005	\$ -	\$ 1,114,005
Land improvements	10 yrs	628,654	525,092	103,562
Buildings	50 yrs	7,508,879	4,854,119	2,654,760
Leasehold improvements	20 yrs	410,330	143,989	266,341
Camp equipment	10 yrs	661,655	575,727	85,928
Office equipment	3 - 10 yrs	45,369	32,467	12,902
Vehicles	4 yrs	824,169	801,907	22,262
Construction in progress		86,111	-	86,111
Totals		\$ 11,279,172	\$ 6,933,301	\$ 4,345,871

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 4: Property and Equipment (Continued)

<i>As of December 31, 2021</i>	Estimated Life	Cost	Accumulated Depreciation	Net
Land		\$ 1,607,505	\$ -	\$ 1,607,505
Land improvements	10 yrs	709,053	529,072	179,981
Buildings	50 yrs	8,916,689	4,070,398	4,846,291
Leasehold improvements	20 yrs	284,302	71,082	213,220
Camp equipment	10 yrs	772,264	615,378	156,886
Office equipment	3 - 10 yrs	10,329	7,094	3,235
Vehicles	4 yrs	921,510	2,851,377	(1,929,867)
Construction in progress		1,127,862	-	1,127,862
Totals		\$ 14,349,514	\$ 8,144,401	\$ 6,205,113

Depreciation expense totaled \$278,417 and \$1,077,586 for the years ending December 31, 2022 and 2021, respectively.

Note 5: Investments

Investments consisted of the following:

<i>As of December 31,</i>	2022	2021
Cash	\$ 79,667	\$ 974,041
Money market funds	156,824	-
Common stocks	2,407,422	3,028,430
Corporate bonds	65,248	120,552
US Treasury bonds	902,258	551,092
BSA Commingled Endowment Fund L.P.	7,135,827	9,239,696
Totals	\$ 10,747,246	\$ 13,913,811

Net investment income consisted of the following:

<i>Years Ended December 31,</i>	2022	2021
Interest and dividends	\$ 89,842	\$ 189,507
Realized gain	280,925	1,688,963
Unrealized gain (loss)	(2,201,539)	54,749
Fees	(45,579)	(66,092)
Total investment income (loss)	\$ (1,876,351)	\$ 1,867,127

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 5: Investments (Continued)

Income from interest and dividends on investments and realized and unrealized gains and losses on the sales of investments ("Investment Income, Gains, and Losses") are recorded initially in the Endowment Fund. Distributions of Investment Income, Gains, and Losses from the Endowment Fund are recorded as income by the Operating and Capital Funds in the period in which the distributions are made in accordance with the Council's spending policy. For 2022 and 2021, investment expenses were \$45,579 and \$66,092 and were included in investment income - net in the statements of activities.

Note 6: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

- Cash and money market funds are measured at cost which approximates fair value.
- Common stocks are valued at the daily closing price in an active market.
- Corporate and US Treasury bonds and municipal bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- BSA Commingled Endowment Fund LP ("BSA Fund") - Investments held by the BSA Fund are valued at fair value based on the closing price for securities listed on a securities exchange, the closing bid or ask price for over-the-counter securities not listed on a securities exchange, or at cost or at a value obtained from an independent pricing service for securities not listed or traded on any exchange or on the over-the-counter market. The custodian of the investments in the BSA Fund also has the ability to determine the fair value of securities not listed or traded on any exchange or on the over-the-counter market based on available information. The BSA Fund is valued at the number of units held by the Council and the Fund's unit value (NAV).
- Beneficial interest in charitable gift annuity - The fair value is based on the present value of future payments to be made to other beneficiaries.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the 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.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 6: Fair Value Measurements (Continued)

The following table presents the balances of assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Fair Value of Assets as of December 31, 2022				
	Level 1	Level 2	Level 3	Measured at NAV	Total
Cash	\$ 79,667	-	-	-	79,667
Money market funds	156,824	-	-	-	156,824
Common stock	2,407,422	-	-	-	2,407,422
Corporate bonds	-	65,248	-	-	65,248
US Treasury bonds	\$ -	\$ 902,258	\$ -	\$ -	\$ 902,258
BSA Commingled Endowment Fund L.P.	-	-	-	7,135,827	7,135,827
Total investments	2,643,913	967,506	-	7,135,827	10,747,246
Beneficial interest in gift annuity	-	-	9,426	-	9,426
Total assets at fair value	\$ 2,643,913	\$ 967,506	\$ 9,426	\$ 7,135,827	\$ 10,756,672

	Fair Value of Assets as of December 31, 2021				
	Level 1	Level 2	Level 3	Measured at NAV	Total
Cash	\$ 974,041	-	-	-	974,041
Common stock	3,028,430	-	-	-	3,028,430
Corporate bonds	-	120,552	-	-	120,552
US Treasury bonds	\$ -	\$ 551,092	\$ -	\$ -	\$ 551,092
BSA Commingled Endowment Fund L.P.	-	-	-	9,239,696	9,239,696
Total investments	4,002,471	671,644	-	9,239,696	13,913,811
Beneficial interest in gift annuity	-	-	10,783	-	10,783
Total assets at fair value	\$ 4,002,471	\$ 671,644	\$ 10,783	\$ 9,239,696	\$ 13,924,594

There were no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2022 and 2021.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 6: Fair Value Measurements (Continued)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) consisted beneficial interest in gift annuity, with activity as follows for the years ended December 31, 2022 and 2021:

January 1, 2021	\$	-
Transfer of beneficial interest in charitable gift annuity on merger		12,253
Change in value		(1,470)
		10,783
December 31, 2021		10,783
		(1,357)
December 31, 2022	\$	9,426

Fair Value of Investments in Entities That Use NAV

The following table summarizes investments measured at fair value based on NAV per share as of December 31:

<i>December 31, 2022</i>	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
BSA commingled endowment fund L.P.	\$ 7,135,827	N/A	Monthly	10 bus. days prior to EOM for dist. at EOM
<i>December 31, 2021</i>	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
BSA commingled endowment fund L.P.	\$ 9,239,696	N/A	Monthly	10 bus. days prior to EOM for dist. at EOM

BSA Commingled Endowment Fund, LP (BSA Fund) -The purpose of the BSA Fund is to serve as a high-quality, low-cost alternative for the BSA, BSA local councils, and qualified affiliates to invest their endowment funds. As such, the BSA Fund is a perpetual fund, with safety and preservation of capital primary considerations. Accordingly, the BSA Fund's asset allocation is sufficiently diversified to maintain risk at a prudent level with a long-term target return sufficient to cover a 4.5% annual spending rate plus fund expenses plus an allowance for inflation, while preserving the buying power of the corpus. BSA Asset Management, LLC is the General Partner.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 6: Fair Value Measurements (Continued)

The partnership agreement provides that any partner may request a withdrawal of all or any portion of its capital account monthly. The partner must request a withdrawal 10 business days prior to the end of the month to receive the proceeds at the end of that month. Requests submitted less than 10 business days prior to month end are handled on a best efforts basis by the General Partner. In the event any partner properly requests or is deemed to have requested, during any year, withdrawals exceeding 99% of its capital account, in its sole discretion the General Partner may make such distribution up to 99% of the partner's capital account and retain the remainder for 45 days after the end of the calendar month in which the partner's request for withdrawal is effective in order to allow time to determine whether any adjustments to the capital accounts are necessary in light of available financial information. If, after completion of the annual audit, any distribution to or withdrawal by a partner is determined to be excessive, then the amount of such excess is to be reimbursed to the BSA Fund by the affected partner(s).

Note 7: Leases

The Council leases building space for the Scout Shop and regional office space in Hudson Valley Tower Center at Fishkill, New York through January 2029. The Council is responsible for monthly rental payments ranging from \$6,500 to \$9,215. The Council also leases a copier machine through May 2025 for monthly rental payments of \$924.

The exercise of lease renewal options is at the Council's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The Council's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include only fixed payments.

Components of lease expense were as follows for the year ended December 31, 2022:

Lease cost	
Interest	\$ 871
Amortization of right-of-use asset	10,697
Operating lease cost	66,830
Sublease income	(12,188)
<hr/>	
Total lease cost	<u>\$ 66,210</u>

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 7: Leases (Continued)

Supplemental balance sheet information related to leases is as follows as of December 31, 2022:

Weighted-average remaining lease term - Finance leases	2.33 years
Weighted-average remaining lease term - Operating leases	6 years
Weighted-average discount rate - Finance leases	1.40 %
Weighted-average discount rate - Operating leases	1.78 %

Maturities of lease liabilities are as follows as of December 31, 2022:

<i>Years Ended December 31, 2022</i>	Operating Leases	Finance Leases
2023	\$ 80,340	\$ 11,088
2024	84,357	11,088
2025	90,262	3,696
2026	96,580	-
2027	103,341	-
Thereafter	110,575	-
Total lease payments	565,455	25,872
Less imputed interest	(30,538)	(433)
Totals	\$ 534,917	\$ 25,439

Under ASC 840

The Council also leases a copier machine through May 2025 for monthly rental payments of \$924.

Future minimum payments on leases for the year ending December 31, 2021 under ASC 840 was as follows:

<i>Years Ended December 31,</i>	2022
2023	\$ 11,088
2024	11,088
2025	11,088
2026	3,696
Total	\$ 36,960

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 8: Long-Term Debt

Long-term debt consisted of the following at December 31, 2022 and 2021:

	2022	2021
Note dated May 2020 to Small Business Administration for \$150,000, due in monthly payments of \$641 including interest at 2.75%, beginning May 2022 (payment of accrued interest only to May 2022) until May 2050 when remaining principal and interest is due. Collateralized by an interest in the Council's real estate.	\$ 147,809	\$ 150,000
Various vehicle loan payable with interest rates varying 0% to 4.24% per annum. Loans were paid off in 2022.	-	21,945
Total long-term liabilities	147,809	171,945
Less: current maturities	(7,692)	(29,637)
Total long-term liabilities, net	\$ 140,117	\$ 142,308

Approximate future annual minimum payments as of December 31, 2022 are as follows:

2023	\$	7,692
2024		7,692
2025		7,692
2026		7,692
2027		7,692
Thereafter		109,349
Total	\$	147,809

Note 9: Line of Credit

The Council has a \$500,000 revolving line of credit agreement with a bank with a maturity date of March 16, 2029. The loan bears interest at a variable rate. The line is secured by the assets of the Council. The interest rate at December 31, 2022, was 3.25%. There was no outstanding balance on the line of credit at December 31, 2022 or 2021.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 10: Endowments

The Council’s endowments consist of three individual funds established for specific purposes. Its endowments includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States, 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 Council is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted SPMIFA as not requiring the maintenance of the purchasing power of the original gift amount that was contributed to an endowment fund, unless a donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Council considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Council has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Council and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Council
- (7) The investment policies of the Council

Return Objectives and Spending Policy

The assets of the Trusts are managed so as to provide the highest total return consistent with prudent investment practices, providing for long-term returns sufficient to cover the return requirements of the spending formula. While the formula is targeted at not more than five percent multiplied by the average market value for the twelve contiguous calendar quarters ending September 30th of the preceding year, the actual spending rate percentage is calculated by the Council’s Budget Steering Committee and is subject to the approval of the Board. In addition to the budgeted appropriations, additional support was approved to fund Capital Fund expenditures and Operating Fund liabilities.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 10: Endowments (Continued)

Composition of endowment net assets for the year ended December 31, 2022, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 8,549,146	\$ 8,549,146
Board-designated endowment funds	2,408,246	-	2,408,246
Totals	\$ 2,408,246	\$ 8,549,146	\$ 10,957,392

Composition of endowment net assets for the year ended December 31, 2021, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 8,974,603	\$ 8,974,603
Board-designated endowment funds	5,180,056	-	5,180,056
Totals	\$ 5,180,056	\$ 8,974,603	\$ 14,154,659

Changes in endowment net assets for the year ended December 31, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 5,180,056	\$ 8,974,603	\$ 14,154,659
Contributions	-	2,996	2,996
Investment income, net of fees	82,331	7,511	89,842
Realized and unrealized gains	(1,486,007)	(434,607)	(1,920,614)
Investment fees	(45,600)	-	(45,600)
Change in value of beneficial interest in charitable gift annuity	-	(1,357)	(1,357)
Transfer	(636,134)	-	(636,134)
Appropriation of endowment net assets for expenditure pursuant to spending policy	(686,400)	-	(686,400)
Endowment net assets, end of year	\$ 2,408,246	\$ 8,549,146	\$ 10,957,392

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 10: Endowments (Continued)

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 4,936,520	\$ 4,325,644	\$ 9,262,164
Contribution from merger	527,524	3,863,385	4,390,909
Contributions	-	34,715	34,715
Investment income, net of fees	496,012	722,329	1,218,341
Change in value of beneficial interest in charitable gift annuity	-	(1,470)	(1,470)
Transfer	(30,000)	30,000	-
Appropriation of endowment net assets for expenditure pursuant to spending policy	(750,000)	-	(750,000)
Endowment net assets, end of year	\$ 5,180,056	\$ 8,974,603	\$ 14,154,659

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or SPMIFA requires the Council to retain as a fund of perpetual duration. Deficiencies of this nature result from unfavorable market fluctuations and would be included in net assets with donor restrictions. As of December 31, 2022 and 2021, there were no such deficiencies.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 11: Net Assets and Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

<i>December 31, 2022</i>	Operating Fund	Capital Fund	Endowment Fund	Total
Subject to expenditure for specified purpose:				
Special events	\$ 1,550	\$ -	\$ -	\$ 1,550
Capital projects	26,367	681,095	-	707,462
Programs	18,753	-	-	18,753
<hr/>				
Total subject to expenditure for specified purpose	46,670	681,095	-	727,765
<hr/>				
Subject to endowment spending policy and appropriation:				
General use	-	-	8,345,995	8,345,995
Program activities	-	-	193,725	193,725
<hr/>				
Total subject to endowment spending policy and appropriation	-	-	8,539,720	8,539,720
<hr/>				
Not subject to spending policy and appropriation				
Beneficial interest in charitable gift annuity	-	-	9,426	9,426
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Total net assets with donor restrictions	\$ 46,670	\$ 681,095	\$ 8,549,146	\$ 9,276,911

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 11: Net Assets and Restrictions (Continued)

<i>December 31, 2021</i>	Operating Fund	Capital Fund	Endowment Fund	Total
Subject to expenditure for specified purpose:				
Special events	\$ 3,593	\$ -	\$ -	\$ 3,593
Capital projects	26,367	426,428	-	452,795
Programs	20,875	-	-	20,875
<hr/>				
Total subject to expenditure for specified purpose	50,835	426,428	-	477,263
<hr/>				
Subject to endowment spending policy and appropriation:				
General use	-	-	8,770,095	8,770,095
Program activities	-	-	193,725	193,725
<hr/>				
Total subject to endowment spending policy and appropriation	-	-	8,963,820	8,963,820
<hr/>				
Not subject to spending policy and appropriation:				
Beneficial interest in charitable gift annuity			10,783	10,783
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Total net assets with donor restrictions	\$ 50,835	\$ 426,428	\$ 8,974,603	\$ 9,451,866

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 11: Net Assets and Restrictions (Continued)

Net assets were released from donor restrictions during 2022 and 2021 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows as of December 31:

<i>Years Ended December 31,</i>	2022	2021
Satisfaction of program restrictions:		
Programs	\$ 18,252	\$ 20,058
Satisfaction of time restrictions:		
Friends of Scouting	-	39,723
Special events	2,045	-
Total net assets released from restriction	\$ 20,297	\$ 59,781

Note 12: Paycheck Protection Program

In 2021, the Council was granted and received a \$239,038 award under the Paycheck Protection Program ("PPP") administered by a Small Business Administration ("SBA") approved partner. The Council initially recorded the award as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP award no longer existed. The Council has recognized \$239,038 as government grants for the year ended December 31, 2021, which represents 100% of the award.

Note 13: Special Event Revenue

Gross receipts from special fundraising events recorded by the Council consist of exchange transaction revenue and contribution revenue as follows.

<i>For the Year Ended December 31,</i>	2022	2021
Contribution revenue	\$ 146,788	\$ 164,045
Exchange transaction revenue (benefit to customer)	64,820	64,972
Total special event revenue	\$ 211,608	\$ 229,017

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 14: Retirement Plans

BSA Retirement Program

Local councils contributed 7.75% of the employee's compensation to the BSA retirement program through January 31, 2021. Effective February 1, 2021, the council's contribution to the BSA retirement program increased from 7.75% to 12%. Local councils are invoiced by the National council on a monthly basis for the difference between the 12% and the employer contributions to the BSA Match Savings Plan (see below). Retirement program expense (excluding the contributions made by employees) was \$93,424 and \$86,674 in 2022 and 2021, respectively, and covered current service cost.

BSA Match Savings Plan

The Council participates in a defined contribution plan established by the National Council of the Boy Scouts of America. The plan name is the BSA Match Savings Plan, which covers substantially all of the employees of the Council. Participants in the BSA Match Savings Plan may elect to make voluntary before-tax and/or Roth after-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Council matches employee contributions to the BSA Match Savings Plan up to 50 percent of contributions from each participant, limited to 6 percent of each employee's gross pay. The Council contributed approximately \$26,259 and \$23,000 to the BSA Match Savings Plan in 2022 and 2021, respectively.

Health Care Plan

The Council's employees participate in a health care plan provided by the National Council. The Council pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2022 and 2021, the Council remitted approximately \$61,628 and \$47,463, respectively, on behalf of its employees to the National Council related to the health care plan.

Note 15: Related Parties

The Council pays a national service fee to the Boy Scouts of America, Inc. (BSA), a related party, annually. The BSA oversees the Council's program and sets rules and regulations that the Council must follow. For the years ended December 31, 2022 and 2021, this fee totaled \$59,800 and \$52,000, respectively.

Note 16: Rental Income

The National Council operates a Scout shop within the Fishkill New York area. The National Council manages the Scout shop and pays the Council a commission of 8 percent on gross sales up to \$750,000 and 13 percent on sales in excess of \$750,000. The commissions earned (before expenses) by the Council during 2022 amounted to \$12,188, which are included in other revenue in the statements of activities.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 17: Concentration of Credit Risk

The Council maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. The Council has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Note 18: Liquidity and Availability of Resources

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

<i>As of December 31,</i>	2022	2021
Cash - Operating Fund	\$ 566,364	\$ 210,821
Accounts receivable - Operating Fund	15,648	8,144
Contributions receivable - Operating Fund	8,945	4,740
Total financial assets as of end of year	590,957	223,705
Appropriation from board-designated endowment for general expenditure in subsequent year	208,700	684,600
Less: Net assets with donor restrictions	(46,670)	(50,835)
Less: Custodial accounts	(123,805)	(71,037)
Financial assets available to meet cash needs for general expenditures within one year	\$ 629,182	\$ 786,433

The Council’s endowment funds consist of donor-restricted endowments and a Board-designated endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. The Board designated endowment has a spending rate of up to 5% of the three year average balance of the endowment fund at the end of the second quarter of the previous budget year, \$208,700 and \$684,600 of appropriations from the endowment will be available within the next 12 months as of December 31, 2022 and 2021, respectively.

As part of the Council’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Council invests cash in excess of daily requirements in short-term investments. The Council has a committed line of credit in the amount of \$500,000 at December 31, 2022, that could be drawn on to manage unanticipated liquidity needs. Additionally, the Council has a Board-designated endowment of \$2,408,246. Although the Council does not intend to spend from its Board-designated endowment 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.

Greater Hudson Valley Council, Inc. Boy Scouts of America

Notes to Consolidated Financial Statements

Note 19: Commitments and Contingencies

Litigation and Contingencies

The Council has been named as a defendant or has been made aware of personal injury claims against it. The Council has and will continue to vigorously defend these actions. These claims are covered by the National Council's general liability insurance program ("GLIP"). At the present time, management is unable to estimate a probable outcome of these matters and accordingly no provision for liabilities, if any, has been made in the accompanying financial statements. Changes in state law could result in additional claims being asserted against the Council.

The National Council has been named as a defendant in lawsuits alleging sexual abuse, including claims for compensatory and punitive damages. Some of these claims arise out of conduct occurring on Council property and/or were committed by Council employees or volunteers, and in some cases the Council is named as a co-defendant with the National Council. The National Council has disclosed that in the event that its GLIP or its reserves are insufficient to resolve such claims, it is their opinion that the total amount of payments to resolve current and future claims could have a significant impact on the financial position or results of operations of the National Council.

The National Council provides the Council with a charter, program materials and support for administration as well as sponsoring certain benefit plans for Council employees. Since 1978 the National Council has operated a GLIP in which the Council participates. On February 18, 2020, the National Council filed for protection under chapter 11 of the United States Bankruptcy Code. The National Council continues to operate its business in the ordinary course and has received bankruptcy court approval to continue its relationship with the Councils including the benefit and insurance programs noted above. Neither the Council nor any other local council are currently parties to the bankruptcy proceeding. The National Council has sought to stay litigation against both the National Council and local councils and has proposed a plan of reorganization that would protect local councils from any further legal exposure for abuse claims arising prior to February 18, 2020. Such plan will require a contribution from local councils. As of December 31, 2021, the Council's contribution was to be \$6,367,835. Accordingly, the Council has recorded an accrued expense at December 31, 2021 for \$6,367,835 in the statement of financial position and a corresponding expense (contribution to settlement trust) in the statement of activities for the year ended December 31, 2021. To fund the payment, the Council utilized the following: (1) \$1,000,000 of the proceeds from the sale of the Westchester-Putnam Council's service headquarters in 2021, (2) the Council sold Camp Nooteming for \$4,000,000 to Dutchess County in 2022, (3) transfer from the Durland Trust of \$1,000,000 and Bullowa Trust of \$500,000. The Council's contribution of \$6,367,835 was paid to the settlement trust during 2022.