



SHARPE  
PATELCPA

# OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2020 and 2019

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**  
**Table of Contents**

	<u>Page</u>
<b>Independent Auditors' Report</b> .....	1
 <b>Financial Statements:</b>	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Changes in Net Assets.....	4
Consolidated Statements of Functional Expenses.....	5
Consolidated Statements of Cash Flows.....	7
 <b>Notes to Consolidated Financial Statements</b> .....	 8
 <b>Supplementary Information:</b>	
Consolidated Statements of Financial Position – Fund Basis.....	27
Consolidated Statements of Changes in Net Assets – Fund Basis.....	28
Consolidated Statements of Cash Flows – Fund Basis.....	30



SHARPE  
PATEL CPA

## Independent Auditors' Report

To the Board of Directors  
Occoneechee Council of the Boy Scouts of America, Inc.  
Raleigh, North Carolina

We have audited the accompanying consolidated financial statements of the Occoneechee Council of the Boy Scouts of America, Inc. (the Council) which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Occoneechee Council of the Boy Scouts of America, Inc. as of December 31, 2020 and 2019, 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.

#### CHARLOTTE OFFICE

325 Arlington Ave., Suite 510  
Charlotte, NC 28203  
704-488-5372

#### RALEIGH OFFICE

5510 Six Forks Rd., Suite 280  
Raleigh, NC 27609  
919-961-7496

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated statements of financial position – fund basis, consolidated statements of changes in net assets – fund basis, and consolidated statements of cash flows – fund basis, presented on pages 27-30, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Sharpe Patel PLLC*

Raleigh, North Carolina  
April 13, 2021

# OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

## Consolidated Statements of Financial Position

December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 367,526	\$ 568,340
Accounts receivable	15,949	110,736
Contributions receivable, net of allowance	348,491	422,084
Inventory	23,351	27,192
Prepaid expenses	96,271	73,974
Total current assets	<u>851,588</u>	<u>1,202,326</u>
Non-current assets:		
Contributions receivable, net of discount factor and allowance	246,294	385,973
Investments	5,010,787	3,685,859
Investments - restricted for Eagle scholarships	-	23,727
Land, buildings and equipment, net	6,445,965	6,766,216
Total non-current assets	<u>11,703,046</u>	<u>10,861,775</u>
Total assets	<u>\$ 12,554,634</u>	<u>\$ 12,064,101</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Notes payable, current portion	\$ 49,644	\$ 125,681
Line of credit	264,372	46,739
Accrued expenses and payroll	108,735	100,119
Scholarships payable, current portion	42,000	42,000
Custodial accounts	152,837	285,869
Deferred revenues	41,580	51,701
Total current liabilities	<u>659,168</u>	<u>652,109</u>
Non-current liabilities:		
Scholarships payable, net of current portion	96,000	109,000
Notes payable, net of current portion	807,081	776,551
Total non-current liabilities	<u>903,081</u>	<u>885,551</u>
Total liabilities	<u>1,562,249</u>	<u>1,537,660</u>
Net assets:		
Without donor restrictions		
Undesignated	(64,553)	(454,759)
Investment in property and equipment	5,589,240	5,863,984
Total net assets without restrictions	<u>5,524,687</u>	<u>5,409,225</u>
With donor restrictions	<u>5,467,698</u>	<u>5,117,216</u>
Total net assets	<u>10,992,385</u>	<u>10,526,441</u>
Total liabilities and net assets	<u>\$ 12,554,634</u>	<u>\$ 12,064,101</u>

The accompanying notes are an integral part of these financial statements

**OCCONECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.**  
**Consolidated Statements of Change in Net Assets**  
**Years Ended December 31, 2020 and 2019**

	Totals		Net Assets Without Donor Restrictions		Net Asset with Donor Restrictions	
	2020	2019	2020	2019	2020	2019
<b>SUPPORT AND REVENUES:</b>						
Friends of Scouting	\$ 965,999	\$ 1,941,005	\$ 701,035	\$ 1,542,599	\$ 264,964	\$ 398,406
Capital Campaign	24,498	602,775	-	-	24,498	602,775
Special events (net of cost of direct benefits to participants of \$62,417 and \$105,550, respectively)	238,480	513,435	137,814	342,183	100,666	171,252
Legacies and bequests	400	196,561	400	196,561	-	-
Foundations and trusts	287,632	347,042	287,632	347,042	-	-
Other direct support	380,979	166,599	81,329	43,775	299,650	122,824
Total direct support	1,897,988	3,767,417	1,208,210	2,472,160	689,778	1,295,257
United Way	45,800	44,160	31,690	44,160	14,110	-
Other indirect support	69,940	19,038	69,940	19,038	-	-
Total indirect support	115,740	63,198	101,630	63,198	14,110	-
Product sales (net cost of goods of \$163,720 and \$489,144, and commissions to units \$135,026 and \$499,623, respectively)	148,656	668,032	148,656	668,032	-	-
Council charter fee	331,042	-	331,042	-	-	-
Camping revenue	66,579	618,623	66,579	618,623	-	-
Activity revenues	88,489	263,559	88,489	263,559	-	-
Investment income (loss), net	898,503	714,675	898,503	714,675	-	-
Other revenues	662,112	159,376	662,112	159,376	-	-
Total revenues	2,195,381	2,424,265	2,195,381	2,424,265	-	-
Net assets released from restrictions	-	-	353,406	198,775	(353,406)	(198,775)
Total support and revenues and net assets released from restrictions	4,209,109	6,254,880	3,858,627	5,158,398	350,482	1,096,482
<b>EXPENSES:</b>						
Program services	2,671,416	3,666,830	2,671,416	3,666,830	-	-
Support services:						
Management and general	474,955	571,377	474,955	571,377	-	-
Fundraising	525,754	721,660	525,754	721,660	-	-
Total support services	1,000,709	1,293,037	1,000,709	1,293,037	-	-
Charter and national service fee	71,040	64,591	71,040	64,591	-	-
Total expenses	3,743,165	5,024,458	3,743,165	5,024,458	-	-
Increase (decrease) in net assets	465,944	1,230,422	115,462	133,940	350,482	1,096,482
Net assets at beginning of year	10,526,441	9,296,019	5,409,225	5,275,285	5,117,216	4,020,734
Net assets at end of year	<u>\$ 10,992,385</u>	<u>\$ 10,526,441</u>	<u>\$ 5,524,687</u>	<u>\$ 5,409,225</u>	<u>\$ 5,467,698</u>	<u>\$ 5,117,216</u>
Reclassification of net assets support amounts included above:						
Friends of Scouting	\$ -	\$ -	\$ 353,406	\$ 198,775	\$ (353,406)	\$ (198,775)
United Way	-	-	-	-	-	-
Other direct support	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,406</u>	<u>\$ 198,775</u>	<u>\$ (353,406)</u>	<u>\$ (198,775)</u>

The accompanying notes are an integral part of these financial statements

# OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

		Support Services				
	Program	Management		Product Sales	Cost of Direct	
	Services	and General	Fundraising	Cost of Sales	Benefit to Donors	Total
Employee compensation:						
Salaries	\$ 1,195,620	\$ 186,305	\$ 235,307	\$ -	\$ -	\$ 1,617,232
Employee benefits	214,054	33,355	42,127	-	-	289,536
Payroll taxes	99,233	15,463	19,530	-	-	134,226
Total employee compensation	<u>1,527,416</u>	<u>238,007</u>	<u>300,607</u>	<u>-</u>	<u>-</u>	<u>2,066,030</u>
Other expenses:						
Professional fees	86,602	13,495	17,044	-	-	117,141
Supplies	95,121	14,822	18,720	-	-	128,663
Telephone	31,223	4,865	6,145	-	-	42,233
Postage and shipping	7,111	1,108	1,399	-	-	9,618
Occupancy	181,353	28,259	35,692	-	-	245,304
Rent and maintenance of equipment	57,568	8,970	11,330	-	-	77,868
Printing and publications	12,978	2,022	2,554	-	-	17,554
Travel	48,426	7,546	9,531	-	-	65,503
Conference and meetings	23,170	3,610	4,560	-	-	31,340
Specific assistance to individuals	16,137	2,514	3,176	-	-	21,827
Recognition awards	71,591	11,155	14,089	-	-	96,835
Cost of products sold and unit commissions	-	-	-	298,746		298,746
Cost of direct benefit to donors	-	-	-		62,417	62,417
Interest	24,939	3,886	4,908	-	-	33,733
Insurance	73,066	11,386	14,380	-	-	98,832
Bad debt expense	-	58,688	-			58,688
Other	150,085	23,387	29,538	-	-	203,010
Total other expenses	<u>879,370</u>	<u>195,713</u>	<u>173,066</u>	<u>298,746</u>	<u>62,417</u>	<u>1,609,312</u>
Expenses before depreciation	2,406,786	433,720	473,673	298,746	62,417	3,675,342
Depreciation of building and equipment	<u>264,630</u>	<u>41,235</u>	<u>52,081</u>	<u>-</u>	<u>-</u>	<u>357,946</u>
Total functional expenses	<u>\$ 2,671,416</u>	<u>\$ 474,955</u>	<u>\$ 525,754</u>	<u>\$ 298,746</u>	<u>\$ 62,417</u>	<u>\$ 4,033,288</u>
Expenses included with revenue statement of activities:						
Cost of products sold and unit commissions	-	-	-	(298,746)	-	(298,746)
Cost of direct benefit to donors	-	-	-	-	(62,417)	(62,417)
Total expenses included in the on the statement of activities	<u>\$ 2,671,416</u>	<u>\$ 474,955</u>	<u>\$ 525,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,672,125</u>

The accompanying notes are an integral part of these financial statements

# OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

## Consolidated Statement of Functional Expenses

Year Ended December 31, 2019

		Support Services				
	Program Services	Management and General	Fundraising	Product Sales Cost of Sales	Cost of Direct Benefit to Donors	Total
Employee compensation:						
Salaries	\$ 1,525,192	\$ 237,660	\$ 300,170	\$ -	\$ -	\$ 2,063,022
Employee benefits	297,479	46,354	58,546	-	-	402,379
Payroll taxes	124,189	19,352	24,441	-	-	167,982
Total employee compensation	1,946,860	303,366	383,157	-	-	2,633,383
Other expenses:						
Professional fees	71,433	11,131	14,059	-	-	96,623
Supplies	354,718	55,273	69,811	-	-	479,802
Telephone	32,432	5,054	6,383	-	-	43,869
Postage and shipping	5,917	922	1,164	-	-	8,003
Occupancy	239,593	37,334	47,154	-	-	324,081
Rent and maintenance of equipment	75,389	11,747	14,837	-	-	101,973
Printing and publications	33,165	5,168	6,527	-	-	44,860
Travel	118,854	18,520	23,391	-	-	160,765
Conference and meetings	54,309	8,463	10,688	-	-	73,460
Specific assistance to individuals	19,377	3,019	3,814	-	-	26,210
Recognition awards	114,756	17,882	22,585	-	-	155,223
Cost of products sold and unit commissions	-	-	-	988,767	-	988,767
Cost of direct benefit to donors	-	-	-	-	105,550	105,550
Interest	36,727	5,723	7,228	-	-	49,678
Insurance	99,386	15,487	19,560	-	-	134,433
Bad debt expense	-	-	-	-	-	-
Other	186,886	29,121	36,781	-	-	252,788
Total other expenses	1,442,942	224,844	283,982	988,767	105,550	3,046,085
Expenses before depreciation	3,389,802	528,210	667,139	988,767	105,550	5,679,468
Depreciation of building and equipment	277,028	43,167	54,521	-	-	374,716
Total functional expenses	<u>\$ 3,666,830</u>	<u>\$ 571,377</u>	<u>\$ 721,660</u>	<u>\$ 988,767</u>	<u>\$ 105,550</u>	<u>\$ 6,054,184</u>
Expenses included with revenue on the statement of activities:						
Cost of products sold and unit commissions	-	-	-	(988,767)	-	(988,767)
Cost of direct benefit to donors	-	-	-	-	(105,550)	(105,550)
Total expenses included in the expense section on the statement of activities	<u>\$ 3,666,830</u>	<u>\$ 571,377</u>	<u>\$ 721,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,959,867</u>

The accompanying notes are an integral part of these financial statements

# OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

## Consolidated Statements of Cash Flows Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 465,944	\$ 1,230,422
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation expense	357,946	374,716
Realized loss (gain) on investments	(782,596)	(551,490)
Forgiveness income from PPP loan	(461,800)	-
Contributions restricted for long-term purposes	(400,316)	(294,076)
Loss (gain) on sale of assets	(658)	1,614
Adjustments for changes in assets and liabilities		
Accounts receivable	94,787	78,010
Contributions receivable	213,272	(269,608)
Inventory	3,841	205
Prepaid expenses	(22,297)	40,706
Accrued expenses and payroll	8,616	(132,335)
Scholarships payable	(13,000)	18,723
Custodial accounts	(133,032)	(40,595)
Deferred revenues	(10,121)	12,423
Net cash provided (used) by operating activities	<u>(679,414)</u>	<u>468,715</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(5,190,239)	(3,975,741)
Proceeds from sale of investments	4,671,634	3,441,159
Purchases of assets	(46,915)	(88,532)
Proceeds from sale of assets	<u>9,878</u>	<u>52,805</u>
Net cash provided (used) in investing activities	<u>(555,642)</u>	<u>(570,309)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on notes payable	(195,507)	(286,270)
Proceeds from notes payable	611,800	-
Contributions collected, restricted for long-term purposes	400,316	294,076
Net payments (draws) on line of credit	<u>217,633</u>	<u>(177,132)</u>
Net cash provided (used) by financing activities	<u>1,034,242</u>	<u>(169,326)</u>
Net increase (decrease) in cash and cash equivalents	(200,814)	(270,920)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>568,340</u>	<u>839,260</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 367,526</u></u>	<u><u>\$ 568,340</u></u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	<u><u>\$ 33,733</u></u>	<u><u>\$ 49,678</u></u>

The accompanying notes are an integral part of these financial statements

# **OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

## **Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

### **Note 1 - Nature of Operation and Significant Accounting Policies**

#### Nature of Operation

The Occoneechee Council, Inc. Boy Scouts of America (the Council) is a not-for-profit organization, incorporated in the State of North Carolina, and operating under the charter granted by the Boy Scouts of America, National Council.

The Council is headquartered in Raleigh, North Carolina, and serves twelve surrounding counties through the delivery of a high-quality Scouting program to over 8,500 youth and 4,000 volunteer adults. As a local Council, it is the organization's mission to serve others by helping instill values in young people to prepare them to make ethical choices and achieve their full potential. The Council's Scouting programs are:

#### **Lion Cubs (boys and girls in Kindergarten)**

The Lion is a family-oriented program for Kindergarten-aged boys or girls and their families. Through the Lion program, the youth and their parents are introduced to the fun and adventure of Scouting through hands-on activities. A group of six to eight boys or girls and their adult partners meet together in a group called a den.

#### **Tiger Cubs (boys and girls in first grade)**

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

#### **Cub Scouts (boys and girls ages 7-10)**

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 (Boys and girls ages 11-18)**

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

#### **Venturing (co-ed ages 14-21)**

Provides experiences to help young men and women become mature, responsible, caring adults. Young teens learn leadership skills and participate in challenging outdoor activities, including having access to Boy Scouts 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 operates three camping facilities: Durant Scout Camp, Camp Reeves and Camp Campbell.

The Council supports over 400 community-based organizations operating local Scouting units within the Council's geographical area. These organizations include religious, educational, civic, fraternal, labor groups, governments and professional associations. The financial statements do not reflect any items of revenue, expense, assets or liabilities of these individual local Scouting units that are independent and not supported financially by the Council.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

The Council's website address is [www.ocscouts.org](http://www.ocscouts.org).

Principles of Consolidation

The Council has voting control over and economic interest in the Occoneechee Council of the Boy Scouts of America, Inc. - Endowment (Endowment), and accordingly consolidates the accounts of that entity with those of the Council. All intercompany balances and transactions have been eliminated in the consolidation. The Council and the Endowment are hereinafter collectively referred to as the "Council."

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.

*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 only income from the investment 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.

Basis of Presentation

The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The consolidated financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. During 2018, the Council adopted the provisions of Accounting Standards Update ("ASU") 2016-14: *Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*, which improves the current net asset classification and the related information presented in the consolidated financial statements and notes about the Council's liquidity, financial performance, and cash flows.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

Prior Year Summarized Comparative Information

The consolidated financial statements and certain notes include certain prior year summarized comparative information in total, but not by fund balance. Such information does not always include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, such information should be read in conjunction with the Council's consolidated financial statements as of and for the year ended December 31, 2019, from which the summarized comparative information was derived.

Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the consolidated financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Council considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Council maintains its cash and cash equivalents in financial institution accounts, which may, at times, exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

Accounts Receivable

Accounts receivable are recorded primarily for product sales, sales tax refunds and refunds due from vendors at estimated realizable value. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from past history. No allowance for doubtful accounts was recorded as of December 31, 2020 and 2019.

Interfund Loans

The Council records interfund loans on a single line in the asset section of the statement of financial position and classifies them as current or long-term based on the intended repayment date of the loan. The total of all three interfund loan accounts must be zero in the Totals column of the statement of financial position.

Inventory

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

Land, Building and Equipment and Related Depreciation

Land, buildings, and equipment are stated at cost or, if donated, at the estimated fair value on the date of donation. The threshold for qualifying an item for capitalization is \$2,500. Depreciation is calculated over the estimated useful life of the related asset using the straight-line method.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

Land, Building and Equipment and Related Depreciation (Continued)

The estimated useful lives of assets are as follows:

Land improvements	20 years
Building and improvements	15 - 40 years
Equipment and motor vehicles	3 - 10 years

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 current operations.

Construction in Progress

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

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the years ended December 31, 2020 and 2019.

Investments

Investments consist of marketable debt and equity securities and mutual funds. The Council accounts for investments in accordance with GAAP which requires that investments with readily determinable fair values be measured at fair value in the consolidated statements of financial position. Interest, dividends, realized and unrealized gain and loss on investments are recorded in the consolidated statements of activities. Realized gains and losses are determined on a specific identification basis.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

The Council's investment policy intends for the Council to invest in assets that would produce results exceeding the investment's purchase price and incur a significant yield of return, while assuming a moderate level of investment risk. The Council expects its Endowment Fund, over time, to provide a reasonable rate of return. To satisfy the long-term rate-of-return objective, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on marketable equity and debt securities and mutual funds to achieve its long-term return objectives within prudent risk constraints.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

Investments (Continued)

The Board has approved an endowment spending policy. The policy defines the total funds available from the Endowment Fund in a given year (the distributable income) as up to 4 percent of the Endowment Fund's average market value over the trailing three-year period ending on September 30th. The Endowment Fund is to have returns greater than the proposed distribution plus management and trustee fees. If the market value of the Endowment Fund falls to or below the amount of the fund's donor- restricted gifts, then the spending policy will be amended in accordance with the guidelines not to exceed the actual earnings of the fund. The Board may amend this spending policy.

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 (consolidated) statements of activities and changes in net assets for the years ending December 31, 2020 and 2019:

*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 30% 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 consolidated statements of activities and changes in net assets gross revenues from popcorn sales, cost of goods sold, and unit commissions paid to the unit.

*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, 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 deferred revenue and are only recognized in the statements of activities after delivery of the program has occurred.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

Revenue Recognition (Continued)

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

*Council charter fee*— The Occoneechee Council implemented a new fee during the year ended December 31, 2020, which each Scouting participant was charged a fee equal to the amount of the fee owed to National per scout. A portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant – the exchange component, and a portion represents a contribution to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The total amount of the fee was recorded as council charter fees on the statement of activities.

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

Contributions Receivable

Unconditional promises to give (or pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Council's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is recorded when the Council determines, based on historical experience and collection efforts, that a contribution receivable (carried over from a prior year) is uncollectible. As of December 31, 2020 and 2019, contributions receivable were net of an allowance for uncollectible pledges of \$60,000 and \$65,000, respectively.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

Donated Land, 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 Council reports the donations as unrestricted support, 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 restricted support. 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 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 Council's program services and its fundraising campaigns, the value of which is not recorded in the accompanying consolidated financial statements.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions, 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, net assets with restrictions are reclassified to net asset without restrictions and are reported in the consolidated statements of changes in net assets as assets released from restrictions.

Functional expenses

The costs of providing the various programs 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 allocated to one of the programs or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the Scout executive's, accounting, information technology personnel, and payroll taxes. The basis of allocation of these expenses is based on management's estimate of the functional area benefited. 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 Statement of Functional Expenses.

Income Taxes

The Council is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal and state taxes. The trust fund is a 509(a)(3) Type I supporting organization. The Council evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. No uncertain tax positions were identified by the Council as of December 31, 2020 and 2019.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

Income Taxes (Continued)

The Council's policy is to classify income tax penalties and interest as interest expense in its consolidated financial statements. During the years ended December 31, 2020 and 2019, respectively, the Council incurred no penalties and interest. The Council's and trust fund's Federal Return of Organizations Exempt from Income Tax (Forms 990) for 2017, 2018, and 2019 are subject to examination by the IRS, generally for the three years after they were filed. As of the date of this report, the Council's 2020 return had not yet been filed.

Advertising Costs

Advertising costs are expensed when incurred and immaterial for the years ended December 31, 2020 and 2019.

Contingency

In the course of providing the many outdoor programs that the Council supports, injuries, which are generally insured, occur. Currently, there are no threatened or existing legal actions that represent a significant exposure to the Council pertaining to these activities. .

Custodial Accounts

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

Fair Value Measurement

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

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

Level 1 - Observable inputs that reflect quoted prices for identical securities, traded in active markets that the Council has the ability to access.

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

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 1 - Nature of Operation and Significant Accounting Policies (Continued)**

**Fair Value Measurement (Continued)**

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The availability of observable inputs can vary and is affected by a wide variety of factors, including, for example, the type of asset or liability, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Council in determining fair value is greatest for instruments categorized in Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an organization-specific measure. Therefore, even when market assumptions are not readily available, the Council's own assumptions are set to reflect those that the Council believes market participants would use in pricing the asset or liability at the measurement date.

**Paycheck Protection Program**

During the year, the Council received proceeds under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner. Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for forgivable loans to qualifying organizations as long as the organization maintains its payroll levels and uses the proceeds for eligible purposes, including payroll, benefits, rent, and utilities, over a "covered period" of eight or 24 weeks, not to extend beyond December 31, 2020. Up to 100% of a loan is forgivable. The forgiveness amount will be reduced if the organization terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. The Council intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period. See Note 15.

The Council met the PPP's eligibility criteria, and concludes that the PPP loan represents, in substance, a grant that is to be forgiven. Accordingly, the Council has initially recorded the loan as a refundable advance and subsequently recorded the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. The Council met all conditions for the advance as of December 31, 2020 and received full approval for forgiveness in January 2021. As this date is before the date of the audit report, the full amount on the loan was recorded as forgiveness income as of year-end.

# OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

## Notes to Consolidated Financial Statements

December 31, 2020 and 2019

### Note 1 - Nature of Operation and Significant Accounting Policies (Continued)

#### Recently Issued Accounting Standards

The following accounting pronouncements were recently issued by the FASB:

*Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07)*— Effective for local councils in 2022, the amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets.

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 consolidated 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. As a result, the effect of leases in the consolidated statement of activities and changes in net assets and the consolidated statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. The Council is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

### Note 2 - Fair Value Measurement

The following table includes all those investments reported at fair value, on a recurring basis. Such investments are identified within the fair value hierarchy, indicating the objectivity and reliability of the inputs used to value those securities at December 31:

December 31, 2020	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 3,001,274	\$ -	\$ -	\$ 3,001,274
Exchange traded products	2,009,513	-	-	2,009,513
Total investments	<u>\$ 5,010,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,010,787</u>
December 31, 2019	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,393,015	\$ -	\$ -	\$ 2,393,015
Common stock	10,957	-	-	10,957
Exchange traded products	1,305,614	-	-	1,305,614
Total investments	<u>\$ 3,709,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,709,586</u>

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 3 - Contributions Receivable**

Contributions receivable consist of unconditional promises to give from various organizations and individuals over a future period of time in excess of one year. Such promises are recorded as public support and as a receivable at their fair value when an event occurs to establish funding for the gift. Contributions are recorded after discounting to the present value of the future cash flows. Fair value for such receivables is the present value of the estimated future amounts using a discount rate of 1.55% in 2020 and 2019.

Contributions receivable consist of the following as of December 31:

	Due in one year		Due after one year	
	2020	2019	2020	2019
United Way allocations	\$ -	\$ -	\$ -	\$ -
Friends of Scouting	141,864	243,845	-	-
Other unrestricted promises	12,500	7,650	-	-
Restricted to capital	183,799	160,261	247,131	386,810
Restricted to endowment	10,328	10,328	10,200	10,200
Rounding	-	-	-	-
Less discounts to present value	-	-	(11,037)	(11,037)
Total contributions receivable	<u>\$ 348,491</u>	<u>\$ 422,084</u>	<u>\$ 246,294</u>	<u>\$ 385,973</u>

Allocations for indirect public support through United Way agencies are recognized as public support in the period in which the funds are received. The Council uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience and analysis of specific promises made.

There was no bad debt expense reported for the contributions receivable for the years ended December 31, 2020 and 2019.

**Note 4 - Prepaid Expenses**

Prepaid expenses at December 31 consist of the following:

	2020	2019
Activities	\$ 18,250	\$ 6,812
Insurance policies and other	78,021	67,162
Total prepaid expenses and other assets	<u>\$ 96,271</u>	<u>\$ 73,974</u>

**Note 5 - Endowment Fund**

The Council's Endowment Fund includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions include net assets identified by the Council's Board of Directors to be used for future investment growth.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 5 - Endowment Fund (continued)**

The Council has interpreted that the Endowment Fund is not subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified in unrestricted net assets.

Changes in the endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Non-board designated net assets without restrictions:		
Gain (loss) on investments	\$ 776,734	\$ 560,814
Other revenues	-	(872)
Appropriation of endowment assets for expenditure	(26,604)	(94,953)
Change for the year	750,130	464,989
Balance, beginning of year	297,771	(167,218)
Balance, end of year	<u>1,047,901</u>	<u>297,771</u>
Donor-restricted funds, perpetual:		
Contributions	400,316	294,076
Balance, beginning of year	3,403,385	3,109,309
Balance, end of year	<u>3,803,701</u>	<u>3,403,385</u>
Total Endowment net assets	<u>\$ 4,851,602</u>	<u>\$ 3,701,156</u>

The Council's endowment includes both donor-restricted endowment and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 6 - Investment Return**

Investment return, net of fees, is comprised of the following for the years ended December 31:

	<u>Interest and Dividends</u>		<u>Gain (Loss) on Investments</u>	
	2020	2019	2020	2019
Operating fund	\$ 116,078	\$ 156,309	\$ 5,936	\$ (4,057)
Operating fund investment fees	(248)	(150)	-	-
Capital fund	3	1,759	-	-
Endowment fund	74	5,267	776,660	555,547
Total	<u>\$ 115,907</u>	<u>\$ 163,185</u>	<u>\$ 782,596</u>	<u>\$ 551,490</u>

**Note 7 - Land, Buildings and Equipment**

Land, buildings and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,035,089	\$ 1,035,089
Land improvements	3,506,966	3,506,966
Equipment	1,150,064	1,151,460
Motor vehicles	146,424	168,438
Building and improvements	6,010,804	5,914,888
Construction-in-progress	116,825	165,825
	<u>11,966,172</u>	<u>11,942,666</u>
Less accumulated depreciation	<u>(5,520,207)</u>	<u>(5,176,450)</u>
Land, building, and equipment, net	<u>\$ 6,445,965</u>	<u>\$ 6,766,216</u>

**Note 8 - Line of Credit**

The Council has entered into a line of credit agreement with a financial institution for a maximum borrowing of \$900,000 to occasionally finance operations. Payments on amounts outstanding are payable in monthly installments of interest only at the bank's prime rate (3.25% and 4.75% at December 31, 2020 and 2019, respectively) with all unpaid principal and interest due December 10, 2021. The outstanding balance on this line of credit at December 31, 2020 and 2019 was \$264,372 and \$46,739, respectively. The line of credit contains certain debt service and reporting covenant provisions. The debt covenants were met at December 31, 2020 and 2019.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 9 - Notes Payable**

	<u>Due in one year</u>		<u>Due after one year</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Note payable to a financial institution due in 48 monthly installments of \$150 at 0% interest maturing in 2022. Note is collateralized by equipment.	\$ 1,801	\$ 1,804	\$ 1,049	\$ 2,857
Notes payable to a financial institution in 59 monthly installments of \$1,462, including interest ranging from 4.49% through 5.59% maturing in 2019, collateralized by vehicles.	(2,763)	-	-	1,853
Note payable to a financial institution in 59 monthly installments of \$13,525 including interest at 3.20% maturing December 2022.	50,606	123,877	656,032	771,841
Note payable to the Small Business Administration in 360 monthly installments of \$641 including interest at 2.75%, beginning 12 months after the note is received. The note is only available for specific uses.	-	-	150,000	-
	<u>\$ 49,644</u>	<u>\$ 125,681</u>	<u>\$ 807,081</u>	<u>\$ 776,551</u>

Future minimum payments for the notes payable are as follows:

2021	\$ 49,644
2022	133,854
2023	<u>673,227</u>
	<u>\$ 856,725</u>

The Council paid \$33,733 and \$49,678 in interest on the notes payable for the years ended December 31, 2020 and 2019, respectively.

# OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

## Notes to Consolidated Financial Statements

December 31, 2020 and 2019

### Note 10—Deferred Revenue

The activity and balances for deposits and deferred revenue from contracts with customers are shown in the following table:

	Activities	Special Events	Other	Total
Balance at January 1, 2019	\$ 39,278	\$ -	\$ -	\$ 39,278
Revenue recognized	(39,278)	-	-	(39,278)
Payments received for future obligations	56,410	(4,709)	-	51,701
Balance at December 31, 2019	56,410	(4,709)	-	51,701
Revenue recognized	(56,410)	4,709	-	(51,701)
Payments received for future obligations	41,580	-	-	41,580
Balance at December 31, 2020	<u>\$ 41,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,580</u>

### Note 11 – Net Assets

The financial statements report amounts separately by class of net assets:

#### *Net Assets without donor restrictions*

Unrestricted net assets are not subject to donor-imposed stipulations and are currently available for use in the operations of the Council under the direction of the board.

As of December 31, 2020 and 2019, the board designated net assets without restrictions for endowment purposes of \$258,280 and \$258,280, respectively.

#### *Net Assets with donor restrictions*

Net assets with restrictions are those stipulated by donors for specific operating purposes, those not currently available for use until commitments regarding their use have been fulfilled, or assets that must be maintained in perpetual by the Council, and are composed of the following as of December 31:

	2020	2019
<i>Subject to expenditures for a specific purpose or passage of time</i>		
Bannister Philmont Scholarship	\$ 1,000	\$ 1,000
Friends of Scouting Campaigns	267,860	187,200
Special Event	26,250	23,750
Blue Cross Blue Shield	160,000	160,000
Free to Grow	1,286,941	1,390,114
Woodbadge Courtyard	4,120	4,120
William C. Etheridge	-	50,000
Order of the Arrow Building	31,030	31,030
Fishing Center	16,805	16,805
Total purpose restrictions	<u>\$ 1,794,006</u>	<u>\$ 1,864,019</u>

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 11 – Net Assets (Continued)**

*Net Assets with donor restrictions (Continued)*

	2020	2019
<i>Perpetual in nature or endowment</i>		
John Norwood Bequest	\$ 250,000	\$ 250,000
Proceeds from the sale of Camp Durant	200,000	200,000
Proceeds from the sale of Camp Kiwanis	111,491	111,491
Lonnie Poole	250,000	
James E. West Fellowship contributions, including Honorariums and Memorials	508,874	463,374
1910, Heritage Society contributions and Second Century contributions	543,921	518,921
John McDonald Carter Estate Bequest	1,326,919	1,326,919
Noah D. Spivey Heart Fund	45,299	45,299
Legacies	10,000	10,000
Auction	337,188	237,193
Blue Cross Blue Shield Waterfront	45,000	45,000
Blue Cross Blue Shield Health Trail	45,000	45,000
Total assets held in perpetual or endowment	<u>\$ 3,673,692</u>	<u>\$ 3,253,197</u>

For time to time, the fair value of the assets associated with individual donor restricted endowment funds may fall below the level the donor requires the Council to retain as permanently restricted. Deficiencies of this nature result from unfavorable market fluctuations and would be included in unrestricted net asset. As of December 31, 2020 and 2019, there are no deficits reported.

**Note 12 - Scout Shop**

The National Boy Scouts operates two Scout shops within the Council's area. A third party manages the Scout shop and pays the Council an 8% commission 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 the 2020 and 2019 fiscal years amounted to \$44,095 and \$117,194, respectively, which are included in other revenue in the consolidated statements of changes in net assets.

**Note 13 – Employee Benefit Plans**

*Thrift Plan*

The Council has established a Thrift Plan covering substantially all of the employees of the Council. Participants in the Thrift Plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Council has elected to match employee contributions to the Thrift Plan up to 50 percent of contributions from each participant, limited to 3% of each employee's gross pay. The Council contributed approximately \$60,600 and \$85,442 to the Thrift Plan for the years ended December 31, 2020 and 2019, respectively.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 13 – Employee Benefit Plans (Continued)**

*Retirement Plan*

The National Council has a qualified defined benefit pension plan (“the plan”) administered at the National Service Center that covers employees of the National Council and local councils, including the Local Council, 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 approximately \$53,097 and \$63,611 in 2020 and 2019, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2020, indicates that it is in compliance with ERISA regulations regarding funding.

*Healthcare Plan*

The Council’s employees participate in a health care plan provided by the National Council. The Council pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2020 and 2019, the Council remitted approximately \$150,156 and \$219,436, respectively, on behalf of its employees to the National Council related to the health care plan.

**Note 14 - Lease Commitments**

The Council has entered into several non-cancelable operating leases for various pieces of equipment. Rent expense totaled \$48,903 and \$57,473 for the years ended December 31, 2020 and 2019, respectively. These leases will expire on various dates through 2022.

Future minimum payment requirements on operating leases at December 31<sup>st</sup>, are as follows:

<b>Year-End</b>	<b>Amount</b>
2021	\$ 28,412
2022	2,394
	<u>\$ 30,806</u>

**Note 15 – Paycheck Protection Program**

In 2020, the Council was granted and received a \$461,800 loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Council initially recorded the loan 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 loan no longer existed.

The Council initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. the Council recognized \$461,800 of loan forgiveness income for the year ended December 31, 2020.

# **OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

## **Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

### **Note 16 – Contingencies**

#### COVID-19 Pandemic

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Council is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Council's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Council's donors, customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Council's financial position and changes in net assets and cash flows is uncertain and the accompanying consolidated financial statements include no adjustments relating to the effects of this pandemic.

#### Litigation and Contingencies

The Council 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, Boy Scouts of America'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 may require a yet to be determined contribution from local councils. The ability of the National Council to confirm such a plan and the size of the potential contribution from the Council is unknown. Management of the Council is unable to assess the effect, if any, the resolution of these matters by the National Council may have on the Council's operations or its financial statements.

**OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.**

**Notes to Consolidated Financial Statements**

**December 31, 2020 and 2019**

**Note 17 – Related Party Transactions**

The Council purchases supplies and program materials from the National Council. The Council also incurs expenses from the National Council related to certain administrative services. Total expenses to the National Council were \$122,262 and \$148,614 for the years ended December 31, 2020 and 2019, respectively.

**Note 18– Liquidity and Availability of Funds**

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

	2020	2019
Cash - operating fund	\$ 151,576	506,204
Contribution receivable (current) - operating fund	154,364	251,495
Accounts receivable - operating fund	15,913	110,551
Accrued expenses and payroll	(108,735)	(100,119)
Total financial assets available to meet general expenditures and liabilities within the next 12 months	\$ 213,118	\$ 768,131

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Council invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Council has a committed line of credit in the amount of \$900,000, which it could draw upon.

**Note 19 – Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through April 13, 2021, which is the date the financial statements were available to be issued.

Subsequent to year-end, the Council applied for and received a PPP Loan from the federal government in the amount of \$461,800 on February 1, 2021. The Council intends to seek forgiveness of this loan in accordance with the provision of the CARES act. At this time, management has evaluated the situation and has concluded no additional disclosures are warranted.

No other significant events or transactions were identified that would require adjustment or disclosure in the financial statements.

## Supplementary Information

**OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.**  
**Consolidated Statements of Financial Position - Fund Basis**  
**December 31, 2020**  
**(with Comparative Totals as of December 31, 2019)**

	2020				2019
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 151,576	\$ 203,369	\$ 12,581	\$ 367,526	\$ 568,340
Accounts receivable	15,913	29	7	15,949	110,736
Contributions receivable, net of allowance	154,364	183,799	10,328	348,491	422,084
Inventory	23,351	-	-	23,351	27,192
Prepaid expenses	78,021	1,900	16,350	96,271	73,974
Interfund amounts receivable (payable) - current	542,953	(336,629)	(206,324)	-	-
Total current assets	966,178	52,468	(167,058)	851,588	1,202,326
Non-current assets:					
Contributions receivable, net of discount factor	-	236,094	10,200	246,294	385,973
Investments	-	2,327	5,008,460	5,010,787	3,685,859
Long-term investments - restricted for Eagle scholarships	-	-	-	-	23,727
Land, buildings and equipment, net	-	6,445,965	-	6,445,965	6,766,216
Total non-current assets	-	6,684,386	5,018,660	11,703,046	10,861,775
Total assets	\$ 966,178	\$ 6,736,854	\$ 4,851,602	\$ 12,554,634	\$12,064,101
<b>LIABILITIES AND NET ASSETS</b>					
Current liabilities:					
Notes payable, current portion	\$ -	\$ 49,644	\$ -	\$ 49,644	\$ 125,681
Line of credit	264,372	-	-	264,372	46,739
Accrued expenses and payroll	108,735	-	-	108,735	100,119
Scholarships payable, current portion	42,000	-	-	42,000	42,000
Custodial accounts	152,837	-	-	152,837	285,869
Deferred income	41,580	-	-	41,580	51,701
Total current liabilities	609,524	49,644	-	659,168	652,109
Non-current liabilities:					
Scholarships payable, net of current portion	96,000	-	-	96,000	109,000
Notes payable, net of current portion	150,000	657,081	-	807,081	776,551
Total non-current liabilities	246,000	657,081	-	903,081	885,551
Total liabilities	855,524	706,725	-	1,562,249	1,537,660
Net Assets:					
Without donor restrictions					
Undesignated	(148,615)	(1,113,839)	1,047,901	(214,553)	(454,759)
Investment in property and equipment	-	5,739,240	-	5,739,240	5,863,984
Total net assets without restrictions	(148,615)	4,625,401	1,047,901	5,524,687	5,409,225
With donor restrictions	259,269	1,404,728	3,803,701	5,467,698	5,117,216
Total net assets	110,654	6,030,129	4,851,602	10,992,385	10,526,441
Total liabilities and net assets	\$ 966,178	\$ 6,736,854	\$ 4,851,602	\$ 12,554,634	\$12,064,101

**OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.**  
**Consolidated Statements of Changes in Net Assets - Fund Basis**  
**December 31, 2020**  
**(with Comparative Totals as of December 31, 2019)**

	2020			2019
	Operating Fund	Capital Fund	Endowment Fund	Total
<b>Changes in net assets without restrictions</b>				
Support and revenue:				
Direct support				
Friends of Scouting	\$ 701,035	\$ -	\$ -	\$ 701,035
Special events, net	200,231	-	-	200,231
Less cost of direct benefit	(62,417)	-	-	(62,417)
Net special events	137,814	-	-	137,814
Legacies and bequests	400	-	-	400
Foundations and trusts	287,632	-	-	287,632
Other direct support	50,000	31,329	-	81,329
Total direct support	1,176,881	31,329	-	1,208,210
Indirect support				
United Way	31,690	-	-	31,690
Other indirect support	69,940	-	-	69,940
Total indirect support	101,630	-	-	101,630
Revenue				
Product sales:				
Product sales - gross	447,402	-	-	447,402
Less cost of goods sold	(163,720)	-	-	(163,720)
Less commissions paid to unites	(135,026)	-	-	(135,026)
Net product sales	148,656	-	-	148,656
Council charter fee	331,042	-	-	331,042
Camping revenues	66,579	-	-	66,579
Activity revenues	88,489	-	-	88,489
Investment income (loss), net	121,766	3	776,734	898,503
Other revenues	658,752	3,360	-	662,112
Total revenue	1,415,284	3,363	776,734	2,195,381
Net Assets released from restrictions:				
Reclass Friends of Scouting	353,406	-	-	353,406
Total reclassification of net assets	353,406	-	-	353,406
Total support, revenue, and reclassifications	3,047,201	34,692	776,734	3,858,627
Expenses:				
Program services	2,338,791	313,271	19,354	2,671,416
Support services				
Management and general	415,817	55,697	3,441	474,955
Fundraising	460,291	61,654	3,809	525,754
Total support services	876,108	117,351	7,250	1,000,709
Charter and national service fee	71,040	-	-	71,040
Total expenses	3,285,939	430,622	26,604	3,743,165
Change in net assets without restrictions	(238,738)	(395,930)	750,130	115,462

**OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.**  
**Consolidated Statements of Changes in Net Assets - Fund Basis (Continued)**  
**December 31, 2020**  
**(with Comparative Totals as of December 31, 2019)**

	2020				2019
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
<b>Changes in net assets with restrictions</b>					
Support and revenue:					
Direct support					
Friends of Scouts, net	\$ 264,964	\$ -	\$ -	\$ 264,964	\$ 398,406
Capital campaign	-	24,498	-	24,498	602,775
Special events, net	-	-	100,666	100,666	171,252
Other direct support	-	-	299,650	299,650	122,824
Total direct support	264,964	24,498	400,316	689,778	1,295,257
Indirect support					
United Way	14,110	-	-	14,110	-
Net Assets released from restrictions:					
Reclass Friends of Scouting	(353,406)	-	-	(353,406)	(198,775)
Total reclassification of net assets	(353,406)	-	-	(353,406)	(198,775)
Total support, revenue, and reclassifications	(74,332)	24,498	400,316	350,482	1,096,482
Change in net assets with restrictions	(74,332)	24,498	400,316	350,482	1,096,482
Change in total net assets before transfers	(313,070)	(371,432)	1,150,446	465,944	1,230,422
Transfers	-	-	-	-	-
Change in total net assets	(313,070)	(371,432)	1,150,446	465,944	1,230,422
<b>Net assets, beginning of year</b>					
Without restrictions	90,123	5,021,331	297,771	5,409,225	5,275,285
With restrictions	333,601	1,380,230	3,403,385	5,117,216	4,020,734
Total net assets, beginning of year	423,724	6,401,561	3,701,156	10,526,441	9,296,019
<b>Net assets, end of year</b>					
Without restrictions	(148,615)	4,625,401	1,047,901	5,524,687	5,409,225
With restrictions	259,269	1,404,728	3,803,701	5,467,698	5,117,216
Total net assets, end of year	\$ 110,654	\$ 6,030,129	\$ 4,851,602	\$ 10,992,385	\$10,526,441

**OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.**  
**Consolidated Statements of Cash Flows - Fund Basis**  
**December 31, 2020**  
**(with Comparative Totals as of December 31, 2019)**

	2020				2019
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
<b>Cash flows from operating activities</b>					
Change in net assets	\$ (313,070)	\$ (371,432)	\$ 1,150,446	\$ 465,944	\$ 1,230,422
Non-cash adjustments:					
Depreciation expense	-	357,946	-	357,946	374,716
Net loss (gain) on investments	(5,936)	-	(776,660)	(782,596)	(551,490)
Forgiveness income from PPP loan	(461,800)	-	-	(461,800)	-
Contributions restricted for long-term purposes	-	-	-	-	(294,076)
Loss (gain) on sale of assets	-	(658)	-	(658)	1,614
Adjustments for changes in assets and liabilities					
Accounts receivable	94,638	58	91	94,787	78,010
Contributions receivable	97,131	116,141	-	213,272	(269,608)
Inventory	3,841	-	-	3,841	205
Prepaid expenses	(12,148)	4,201	(14,350)	(22,297)	40,706
Interfund amounts receivable/payable	(468,843)	269,640	199,203	-	-
Accrued expenses and payroll	8,616	-	-	8,616	(132,335)
Scholarships payable	(13,000)	-	-	(13,000)	18,723
Custodial accounts	(133,032)	-	-	(133,032)	(40,595)
Deferred income	(10,121)	-	-	(10,121)	12,423
Net cash provided (used) by operating activities	(1,213,724)	375,896	558,730	(279,098)	468,715
<b>Cash flows from investing activities</b>					
Purchase of investments	-	-	(5,190,239)	(5,190,239)	(3,975,741)
Proceeds from sale of investments	29,663	-	4,641,971	4,671,634	3,441,159
Purchase of assets	-	(46,915)	-	(46,915)	(88,532)
Proceeds from sale of assets	-	9,878	-	9,878	52,805
Net cash (used in) provided by investing activities	29,663	(37,037)	(548,268)	(555,642)	(570,309)
<b>Cash flows from financing activities</b>					
Payments on notes payable	-	(195,507)	-	(195,507)	(286,270)
Proceeds from notes payable	611,800	-	-	611,800	-
Contributions collected, restricted for long-term purposes	-	-	-	-	294,076
Draws on line of credit, net of payments	217,633	-	-	217,633	(177,132)
Net cash (used) provided by financing activities	829,433	(195,507)	-	633,926	(169,326)
Net change in cash and cash equivalents	(354,628)	143,352	10,462	(200,814)	(270,920)
Cash and cash equivalents, beginning of year	506,204	60,017	2,119	568,340	839,260
Cash and cash equivalents, end of year	<u>\$ 151,576</u>	<u>\$ 203,369</u>	<u>\$ 12,581</u>	<u>\$ 367,526</u>	<u>\$ 568,340</u>
<b>Supplemental disclosure of cash flow information</b>					
Cash paid during the year for interest	<u>\$ 9,800</u>	<u>\$ 23,933</u>	<u>\$ -</u>	<u>\$ 33,733</u>	<u>\$ 49,678</u>