



SHARPE
PATELCPA

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2022 and 2021

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Occoneechee Council of the Boy Scouts of America, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, 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.

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, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Occoneechee Council of the Boy Scouts of America, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Occoneechee Council of the Boy Scouts of America, Inc.'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 Occoneechee Council of the Boy Scouts of America, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating 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 28-31, are presented for purposes of additional analysis of the consolidated financial statements and it is 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Sharpe Patel PLLC

Raleigh, North Carolina
May 2, 2023

OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

Consolidated Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,304,265	\$ 1,580,305
Accounts receivable	147,318	530,488
Contributions receivable, net of allowance	210,524	269,655
Inventory	34,731	15,174
Prepaid expenses	102,965	77,267
Total current assets	<u>3,799,803</u>	<u>2,472,889</u>
Non-current assets:		
Contributions receivable, net of discount factor and allowance	274,863	309,742
Investments	4,321,539	6,203,740
Land, buildings and equipment, net	6,165,494	6,147,974
Total non-current assets	<u>10,761,896</u>	<u>12,661,456</u>
Total assets	<u>\$ 14,561,699</u>	<u>\$ 15,134,345</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Notes payable, current portion	\$ -	\$ 104,558
Accrued expenses and payroll	2,223,729	2,085,323
Scholarships payable, current portion	20,000	40,000
Custodial accounts	373,320	215,388
Deferred revenues	195,980	58,486
Total current liabilities	<u>2,813,029</u>	<u>2,503,755</u>
Non-current liabilities:		
Scholarships payable, net of current portion	34,000	38,000
Notes payable, net of current portion	-	157,437
Total non-current liabilities	<u>34,000</u>	<u>195,437</u>
Total liabilities	<u>2,847,029</u>	<u>2,699,192</u>
Net assets:		
Without donor restrictions		
Undesignated	690,065	539,693
Investment in property and equipment	6,165,494	5,885,979
Total net assets without restrictions	<u>6,855,559</u>	<u>6,425,672</u>
With donor restrictions	4,859,111	6,009,481
Total net assets	<u>11,714,670</u>	<u>12,435,153</u>
Total liabilities and net assets	<u>\$ 14,561,699</u>	<u>\$ 15,134,345</u>

The accompanying notes are an integral part of these consolidated financial statements

OCCONECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.
Consolidated Statements of Change in Net Assets
Years Ended December 31, 2022 and 2021

	Totals		Net Assets Without Donor Restrictions		Net Asset with Donor Restrictions	
	2022	2021	2022	2021	2022	2021
SUPPORT AND REVENUES:						
Friends of Scouting	\$ 1,785,200	\$ 1,186,554	\$ 1,741,700	\$ 1,111,092	\$ 43,500	\$ 75,462
Capital Campaign	-	276,240	-	-	-	276,240
Special events (net of cost of direct benefits to participants of \$140,087 and \$50,113, respectively)	345,348	189,203	120,774	41,708	224,574	147,495
Legacies and bequests	1,283	1,125	1,283	625	-	500
Foundations and trusts	332,437	478,673	332,437	478,673	-	-
Other direct support	190,347	694,789	34,358	354,431	155,989	340,358
Total direct support	2,654,615	2,826,584	2,230,552	1,986,529	424,063	840,055
United Way	26,178	51,787	11,230	24,501	14,948	27,286
Other indirect support	171,961	45,927	171,961	45,927	-	-
Total indirect support	198,139	97,714	183,191	70,428	14,948	27,286
Product sales (net cost of goods of \$354,143 and \$206,403, and commissions to units \$343,968 and \$275,399, respectively)	434,054	340,410	434,054	340,410	-	-
Council charter fee	500,161	303,529	500,161	303,529	-	-
Camping revenue	580,065	465,088	580,065	465,088	-	-
Activity revenues	149,600	112,727	149,600	112,727	-	-
Investment income (loss), net	(1,176,810)	963,018	(1,177,761)	963,018	951	-
Other revenues	323,937	1,945,784	323,937	1,945,784	-	-
Total revenues	811,007	4,130,556	810,056	4,130,556	951	-
Net assets released from restrictions	-	-	1,590,332	325,558	(1,590,332)	(325,558)
Total support and revenues and net assets released from restrictions	3,663,761	7,054,854	4,814,131	6,513,071	(1,150,370)	541,783
EXPENSES:						
Program services	3,422,824	2,843,955	3,422,824	2,843,955	-	-
Support services:						
Management and general	608,376	531,788	608,376	531,788	-	-
Fundraising	268,289	222,914	268,289	222,914	-	-
Total support services	876,665	754,702	876,665	754,702	-	-
Charter and national service fee	84,755	67,000	84,755	67,000	-	-
Contribution to settlement trust	-	1,946,429	-	1,946,429	-	-
Total expenses	4,384,244	5,612,086	4,384,244	5,612,086	-	-
Increase (decrease) in net assets	(720,483)	1,442,768	429,887	900,985	(1,150,370)	541,783
Net assets at beginning of year	12,435,153	10,992,385	6,425,672	5,524,687	6,009,481	5,467,698
Net assets at end of year	<u>\$ 11,714,670</u>	<u>\$ 12,435,153</u>	<u>\$ 6,855,559</u>	<u>\$ 6,425,672</u>	<u>\$ 4,859,111</u>	<u>\$ 6,009,481</u>
Reclassification of net assets support amounts included above:						
Friends of Scouting	\$ -	\$ -	\$ 97,962	\$ 310,558	\$ (97,962)	\$ (310,558)
Free to grow capital campaign	-	-	1,418,763	-	(1,418,763)	-
United Way	-	-	14,232	-	(14,232)	-
Endowment	-	-	-	-	-	-
Other direct support	-	-	59,375	15,000	(59,375)	(15,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,590,332</u>	<u>\$ 325,558</u>	<u>\$ (1,590,332)</u>	<u>\$ (325,558)</u>

The accompanying notes are an integral part of these consolidated financial statements

OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

		Support Services		Product Sales	Cost of Direct	
	Program	Management	Fundraising	Cost of Sales	Benefit to Donors	Total
	Services	and General				
Employee compensation:						
Salaries	\$ 1,216,115	\$ 216,154	\$ 95,322	\$ -	\$ -	\$ 1,527,591
Employee benefits	252,645	44,905	19,803	-	-	317,353
Payroll taxes	95,440	16,964	7,481	-	-	119,885
Employee related expenses	222	39	17			278
Total employee compensation	<u>1,564,422</u>	<u>278,062</u>	<u>122,623</u>	<u>-</u>	<u>-</u>	<u>1,965,107</u>
Other expenses:						
Professional fees	178,563	31,738	13,996	-	-	224,297
Supplies	422,390	75,076	33,108	-	-	530,574
Telephone	18,493	3,287	1,450	-	-	23,230
Postage and shipping	7,852	1,395	615	-	-	9,862
Occupancy	308,853	54,896	24,209	-	-	387,958
Rent and maintenance of equipment	77,067	13,698	6,041	-	-	96,806
Printing and publications	32,955	5,857	2,583	-	-	41,395
Travel	91,556	16,273	7,176	-	-	115,005
Conference and meetings	29,557	5,253	2,317	-	-	37,127
Specific assistance to individuals	18,197	3,234	1,426	-	-	22,857
Recognition awards	117,363	20,860	9,199	-	-	147,422
Cost of products sold and unit commissions	-	-	-	698,111		698,111
Cost of direct benefit to donors	-	-	-		140,087	140,087
Interest	656	117	51	-	-	824
Insurance	76,947	13,677	6,031	-	-	96,655
Bad debt expense	-	-	-	-	-	-
Other	204,058	36,270	15,995	-	-	256,323
Total other expenses	<u>1,584,507</u>	<u>281,631</u>	<u>124,197</u>	<u>698,111</u>	<u>140,087</u>	<u>2,828,533</u>
Expenses before depreciation	3,148,929	559,693	246,820	698,111	140,087	4,793,640
Depreciation of building and equipment	<u>273,895</u>	<u>48,683</u>	<u>21,469</u>	<u>-</u>	<u>-</u>	<u>344,047</u>
Total functional expenses	<u>\$ 3,422,824</u>	<u>\$ 608,376</u>	<u>\$ 268,289</u>	<u>\$ 698,111</u>	<u>\$ 140,087</u>	<u>\$ 5,137,687</u>
Expenses included with revenue on the statement of activities:						
Cost of products sold and unit commissions	-	-	-	(698,111)	-	(698,111)
Cost of direct benefit to donors	-	-	-	-	(140,087)	(140,087)
Total expenses included in the on the statement of activities	<u>\$ 3,422,824</u>	<u>\$ 608,376</u>	<u>\$ 268,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,299,489</u>

The accompanying notes are an integral part of these consolidated financial statements

OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

		Support Services				
	Program Services	Management and General	Fundraising	Product Sales Cost of Sales	Cost of Direct Benefit to Donors	Total
Employee compensation:						
Salaries	\$ 1,139,326	\$ 202,506	\$ 89,303	\$ -	\$ -	\$ 1,431,135
Employee benefits	243,469	43,275	19,084	-	-	305,828
Payroll taxes	93,955	16,700	7,364	-	-	118,019
Employee related expenses	257	46	20	-	-	323
Total employee compensation	<u>1,477,007</u>	<u>262,527</u>	<u>115,771</u>	<u>-</u>	<u>-</u>	<u>1,855,305</u>
Other expenses:						
Professional fees	142,384	25,307	11,160	-	-	178,851
Supplies	241,100	42,854	18,898	-	-	302,852
Telephone	20,980	3,729	1,644	-	-	26,353
Postage and shipping	8,325	1,480	653	-	-	10,458
Occupancy	257,237	45,722	20,163	-	-	323,122
Rent and maintenance of equipment	68,068	12,099	5,335	-	-	85,502
Printing and publications	28,123	4,999	2,204	-	-	35,326
Travel	62,171	11,050	4,873	-	-	78,094
Conference and meetings	21,087	3,748	1,653	-	-	26,488
Specific assistance to individuals	17,493	3,109	1,371	-	-	21,973
Recognition awards	53,092	9,436	4,161	-	-	66,689
Cost of products sold and unit commissions	-	-	-	481,802	-	481,802
Cost of direct benefit to donors	-	-	-	-	50,113	50,113
Interest	15,875	2,822	1,244	-	-	19,941
Insurance	80,844	14,370	6,337	-	-	101,551
Bad debt expense	-	26,299	-	-	-	26,299
Other	81,028	\$14,399	6,351	-	-	101,778
Total other expenses	<u>1,097,807</u>	<u>221,423</u>	<u>86,047</u>	<u>481,802</u>	<u>50,113</u>	<u>1,937,192</u>
Expenses before depreciation	2,574,814	483,950	201,818	481,802	50,113	3,792,497
Depreciation of building and equipment	<u>269,141</u>	<u>47,838</u>	<u>21,096</u>	<u>-</u>	<u>-</u>	<u>338,075</u>
Total functional expenses	<u>\$ 2,843,955</u>	<u>\$ 531,788</u>	<u>\$ 222,914</u>	<u>\$ 481,802</u>	<u>\$ 50,113</u>	<u>\$ 4,130,572</u>
Expenses included with revenue on the statement of activities:						
Cost of products sold and unit commissions	-	-	-	(481,802)	-	(481,802)
Cost of direct benefit to donors	-	-	-	-	(50,113)	(50,113)
Total expenses included in the expense section on the statement of activities	<u>\$ 2,843,955</u>	<u>\$ 531,788</u>	<u>\$ 222,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,598,657</u>

The accompanying notes are an integral part of these consolidated financial statements

OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.

Consolidated Statements of Cash Flows Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (720,483)	\$ 1,442,768
Adjustments to reconcile change in net assets to net cash provided (used) in operating activities:		
Depreciation expense	344,047	338,075
Realized loss (gain) on investments	1,217,241	(686,192)
Forgiveness income from PPP loan	-	(461,800)
Contributions restricted for long-term purposes	(304,754)	(339,858)
Loss (gain) on sale of assets	-	(2,700)
Adjustments for changes in assets and liabilities		
Accounts receivable	383,170	(514,539)
Contributions receivable	94,010	15,388
Inventory	(19,557)	8,177
Prepaid expenses	(25,698)	19,004
Accrued expenses and payroll	138,406	1,976,588
Scholarships payable	(24,000)	(60,000)
Custodial accounts	157,932	62,551
Deferred revenues	137,494	16,906
Net cash provided (used) by operating activities	<u>1,377,808</u>	<u>1,814,368</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(10,355,890)	(2,692,276)
Proceeds from sale of investments	11,020,850	2,185,515
Purchases of assets	(361,567)	(39,545)
Proceeds from sale of assets	-	2,161
Net cash provided (used) in investing activities	<u>303,393</u>	<u>(544,145)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(261,995)	(700,733)
Proceeds from notes payable	-	567,803
Contributions collected, restricted for long-term purposes	304,754	339,858
Net payments (draws) on line of credit	-	(264,372)
Net cash provided (used) by financing activities	<u>42,759</u>	<u>(57,444)</u>
Net increase (decrease) in cash and cash equivalents	1,723,960	1,212,779
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,580,305</u>	<u>367,526</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 3,304,265</u></u>	<u><u>\$ 1,580,305</u></u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u><u>\$ 824</u></u>	<u><u>\$ 19,941</u></u>

The accompanying notes are an integral part of these consolidated financial statements

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021

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

The Council's website address is 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.

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, 2021, from which the summarized comparative information was derived.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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

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, 2022 and 2021.

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.

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.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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

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, 2022 and 2021.

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.

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.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 1 - Nature of Operation and 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 (consolidated) statements of activities and changes in net assets for the years ending 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 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, 2022 and 2021

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, 2022 and 2021, contributions receivable were net of an allowance for uncollectible pledges of \$156,306 and \$92,000, respectively.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 1 - Nature of Operation and 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.

See also Contributed Nonfinancial Assets, below.

Donated Items and Services (Gifts in Kind)

The Council adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* effective for the year ended December 31, 2022. 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 restriction, 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. In the absence of 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 financial statements.

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.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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

Functional expenses (Continued)

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, 2022 and 2021.

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, 2022 and 2021, 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) after 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 2022 return had not yet been filed.

Advertising Costs

Advertising costs are expensed when incurred and are immaterial for the years ended December 31, 2022 and 2021.

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.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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

Fair Value Measurement (Continued)

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.

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 each of the years ended December 31, 2021 and 2020, 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, 2021, and 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.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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

Paycheck Protection Program (Continued)

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, 2021 and 2020 and received full approval for forgiveness in August 2021 and January 2021. The full amount on the loan was recorded as forgiveness income as of December 31, 2021.

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, 2022	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,773,338	\$ -	\$ -	\$ 1,773,338
Exchange traded products	1,437,063	-	-	1,437,063
Bond funds	611,138	-	-	611,138
Certificates of deposit	-	500,000	-	500,000
Total investments	<u>\$ 3,821,539</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 4,321,539</u>
December 31, 2021	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 3,630,492	\$ -	\$ -	\$ 3,630,492
Exchange traded products	2,573,248	-	-	2,573,248
Total investments	<u>\$ 6,203,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,203,740</u>

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 4.68% and 0.55% in 2022 and 2021.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 3 - Contributions Receivable (Continued)

Contributions receivable consist of the following as of December 31:

	Due in one year		Due after one year	
	2022	2021	2022	2021
United Way allocations	\$ 5,339	\$ 16,727	\$ -	\$ -
Friends of Scouting	14,000	29,622	-	-
Other unrestricted promises	1,250	2,500	-	-
Restricted to capital	168,907	209,978	285,900	310,579
Restricted to endowment	21,628	10,828	-	10,200
Less discounts to present value	-	-	(11,037)	(11,037)
Total contributions receivable	<u>\$ 211,124</u>	<u>\$ 269,655</u>	<u>\$ 274,863</u>	<u>\$ 309,742</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.

Bad debt expense reported for the contributions receivable for the years ended December 31, 2022 and 2021 was \$0 and \$26,299, respectively.

Note 4 - Prepaid Expenses

Prepaid expenses at December 31 consist of the following:

	2022	2021
Activities	\$ 1,900	\$ 17,250
Insurance policies and other	101,065	60,017
Total prepaid expenses and other assets	<u>\$ 102,965</u>	<u>\$ 77,267</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, 2022 and 2021

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, 2022 and 2021 are as follows:

	2022	2021
Non-board designated net assets without restrictions:		
Gain (loss) on investments	\$(1,181,447)	\$ 827,226
Other revenues	(72,562)	-
Appropriation of endowment assets for expenditure	(81,850)	(32,771)
Releases from restriction	-	
Transfers	-	135,000
Change for the year	(1,335,859)	929,455
Balance, beginning of year	1,977,356	1,047,901
Balance, end of year	641,497	1,977,356
Donor-restricted funds, perpetual:		
Contributions	304,754	339,858
Releases from restriction	-	-
Balance, beginning of year	4,143,559	3,803,701
Balance, end of year	4,448,313	4,143,559
Total Endowment net assets	\$ 5,089,810	\$ 6,120,915

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, 2022 and 2021****Note 6 - Investment Return**

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

	Interest and Dividends		Gain (Loss) on Investments	
	2022	2021	2022	2021
Operating fund	3,304	\$ 635	382	\$ (84)
Operating fund investment fees	-	-	-	-
Capital fund	951	135,000	-	-
Endowment fund	36,176	140,960	(1,217,623)	686,507
Total	\$ 40,431	\$ 276,595	\$ (1,217,241)	\$ 686,423

Note 7 - Land, Buildings and Equipment

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

	2022	2021
Land	\$ 1,035,089	\$ 1,035,089
Land improvements	3,648,324	3,542,681
Equipment	1,265,519	1,154,434
Motor vehicles	120,616	120,616
Building and improvements	6,014,877	6,010,804
Construction-in-progress	261,547	116,825
	<u>12,345,972</u>	<u>11,980,449</u>
Less accumulated depreciation	<u>(6,176,521)</u>	<u>(5,832,475)</u>
Land, building, and equipment, net	<u>\$ 6,169,451</u>	<u>\$ 6,147,974</u>

Note 8 - Line of Credit

In July 2020, the Council 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 (3.50% and 3.25% at December 31, 2022 and 2021, respectively) with all unpaid principal and interest due March 10, 2024. The outstanding balance on this line of credit at December 31, 2022 and 2021 was \$0 and \$0, respectively. The line of credit contains certain debt service and reporting covenant provisions. The debt covenants were met at December 31, 2022 and 2021.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 9 - Notes Payable

	Due in one year		Due after one year	
	2022	2021	2022	2021
Note payable to a financial institution due in 48 monthly installments of \$150 at 0% interest maturing in 2022.				
Note is collateralized by equipment.	\$ -	\$ -	\$ -	\$ 1,049
Notes payable to a financial institution in 59 monthly installments of \$1,462, including interest ranging from 4.49% through 5.59% maturing in 2022, collateralized by vehicles.	-	104,558	-	-
Note payable to a financial institution in 59 monthly installments of \$13,525 including interest at 3.20% maturing December 2022.	-	-	-	-
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.	-	-	-	156,388
	\$ -	\$ 104,558	\$ -	\$ 157,437

The Council paid \$824 and \$19,941 in interest on the notes payable for the years ended December 31, 2022 and 2021, respectively. The Council paid off the remaining balances on all remaining debt during the year ended December 31, 2022.

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	Council Fees	Total
Balance at January 1, 2021	\$ 340	\$ -	\$ 58,146	\$ 58,486
Revenue recognized	(340)	-	(58,146)	(58,486)
Payments received for future obligations	58,486	-	-	58,486
Balance at December 31, 2021	58,486	-	-	58,486
Revenue recognized	(58,486)	-	-	(58,486)
Payments received for future obligations	95,980	-	100,000	195,980
Balance at December 31, 2022	\$ 95,980	\$ -	\$ 100,000	\$ 195,980

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021, the board designated net assets without restrictions for endowment purposes of \$215,157 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:

	2022	2021
<i>Subject to expenditures for a specific purpose or passage of time</i>		
Bannister Philmont Scholarship	\$ -	\$ 1,000
United Way Awards	68,362	-
Friends of Scouting Campaigns	129,094	181,452
Special Event	3,559	2,500
Blue Cross Blue Shield	154,465	160,000
Free to Grow	6,705	1,440,699
Woodbadge Courtyard	8,667	4,370
Legacies and bequests	80,757	-
Order of the Arrow Building	-	31,030
Fishing Center	-	16,805
	<hr/>	<hr/>
Total purpose restrictions	\$ 451,609	\$ 1,837,856

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 11 – Net Assets (Continued)

Net Assets with donor restrictions (Continued)

	2022	2021
<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	250,000
Ralph Hinrichs	63,521	63,521
James E. West Fellowship contributions, including		
Honorariums and Memorials	529,559	525,809
1910, Heritage Society contributions and Second		
Century contributions	394,799	394,799
John McDonald Carter Estate Bequest	1,326,919	1,326,919
Coleman Ross	346,200	321,200
Noah D. Spivey Heart Fund	45,299	45,299
Thomas and LaRocca Families	117,922	117,922
Legacies	10,000	10,000
Auction	467,665	464,665
ScoutReach Endowment	204,127	-
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>\$ 4,407,502</u>	<u>\$ 4,171,625</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, 2022 and 2021, 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 2022 and 2021 fiscal years amounted to \$53,156 and \$65,221, respectively, which are included in other revenue in the consolidated statements of changes in net assets.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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 \$40,189 and \$36,752 to the Thrift Plan for the years ended December 31, 2022 and 2021, respectively.

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 \$131,353 and \$117,678 in 2022 and 2021, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2022, 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, 2022 and 2021, the Council remitted approximately \$124,366 and \$132,156, 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. These leases operate on a month-to-month basis. Lease is considered a short term lease as of year end, therefore, the new accounting pronouncements ASU No. 2016-02, Leases (Topic 842) is not applicable as of December 31, 2022. Rent expense totaled \$39,025 and \$40,925 for the years ended December 31, 2022 and 2021, respectively.

Note 15 – Paycheck Protection Program

On February 1, 2021, 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.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 15 – Paycheck Protection Program (Continued)

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, 2021.

Note 16 – Contingencies

Litigation and Contingencies

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 court has granted a stay on litigation against both the National Council and local councils and the National Council 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 requires a contribution from local councils. As of December 31, 2022, the Council's contribution is expected to be \$1,946,429, however that may increase. The ability of the National Council to confirm such a plan 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. The Council intends to sell land at camp in order to fulfill this obligation.

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 \$162,738 and \$108,897 for the years ended December 31, 2022 and 2021, respectively.

OCCONEECHEE COUNCIL OF THE BOY SCOUTS OF AMERICA, INC.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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:

	2022	2021
Cash - operating fund	\$ 987,376	\$ 553,316
Contribution receivable (current) - operating fund	20,589	48,849
Accounts receivable - operating fund	136,665	527,706
Accrued expenses and payroll	<u>(2,223,728)</u>	<u>(2,085,323)</u>
Total financial assets available to meet general expenditures and liabilities within the next 12 months	<u>\$ (1,079,098)</u>	<u>\$ (955,452)</u>

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 May 2, 2023, which is the date the financial statements were available to be issued.

On March 28, 2023, the National Council's bankruptcy reorganization plan was upheld by a federal district court. On April 19, 2023, the National Council announced that they have emerged from bankruptcy.

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, 2022
(with Comparative Totals as of December 31, 2021)

	2022				2021
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 987,376	\$ 836,060	\$ 1,480,829	\$ 3,304,265	\$ 1,580,305
Accounts receivable	136,665	535	10,118	147,318	530,488
Contributions receivable, net of allowance	20,589	168,907	21,028	210,524	269,655
Inventory	34,731	-	-	34,731	15,174
Prepaid expenses	101,065	1,900	-	102,965	77,267
Interfund amounts receivable (payable) - current	2,489,387	(2,283,062)	(206,325)	-	-
Total current assets	<u>3,769,813</u>	<u>(1,275,660)</u>	<u>1,305,650</u>	<u>3,799,803</u>	<u>2,472,889</u>
Non-current assets:					
Contributions receivable, net of discount factor	-	274,863	-	274,863	309,742
Investments	500,103	2,327	3,819,109	4,321,539	6,203,740
Land, buildings and equipment, net	-	6,165,494	-	6,165,494	6,147,974
Total non-current assets	<u>500,103</u>	<u>6,442,684</u>	<u>3,819,109</u>	<u>10,761,896</u>	<u>12,661,456</u>
Total assets	<u>\$ 4,269,916</u>	<u>\$ 5,167,024</u>	<u>\$ 5,124,759</u>	<u>\$ 14,561,699</u>	<u>\$15,134,345</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Notes payable, current portion	\$ -	\$ -	\$ -	\$ -	\$ 104,558
Accrued expenses and payroll	2,188,131	49	35,549	2,223,729	2,085,323
Scholarships payable, current portion	20,000	-	-	20,000	40,000
Custodial accounts	373,320	-	-	373,320	215,388
Deferred income	195,980	-	-	195,980	58,486
Total current liabilities	<u>2,777,431</u>	<u>49</u>	<u>35,549</u>	<u>2,813,029</u>	<u>2,503,755</u>
Non-current liabilities:					
Scholarships payable, net of current portion	34,000	-	-	34,000	38,000
Notes payable, net of current portion	-	-	-	-	157,437
Total non-current liabilities	<u>34,000</u>	<u>-</u>	<u>-</u>	<u>34,000</u>	<u>195,437</u>
Total liabilities	<u>2,811,431</u>	<u>49</u>	<u>35,549</u>	<u>2,847,029</u>	<u>2,699,192</u>
Net Assets:					
Without donor restrictions					
Undesignated	1,257,472	(1,208,304)	640,897	690,065	539,693
Investment in property and equipment	-	6,165,494	-	6,165,494	5,885,979
Total net assets without restrictions	<u>1,257,472</u>	<u>4,957,190</u>	<u>640,897</u>	<u>6,855,559</u>	<u>6,425,672</u>
With donor restrictions	<u>201,013</u>	<u>209,785</u>	<u>4,448,313</u>	<u>4,859,111</u>	<u>6,009,481</u>
Total net assets	<u>1,458,485</u>	<u>5,166,975</u>	<u>5,089,210</u>	<u>11,714,670</u>	<u>12,435,153</u>
Total liabilities and net assets	<u>\$ 4,269,916</u>	<u>\$ 5,167,024</u>	<u>\$ 5,124,759</u>	<u>\$ 14,561,699</u>	<u>\$15,134,345</u>

OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.
Consolidated Statements of Changes in Net Assets - Fund Basis (Continued)
Year Ended December 31, 2022
(with Comparative Totals for the Year Ended December 31, 2021)

	2022			2021
	Operating Fund	Capital Fund	Endowment Fund	Total
				Total
Changes in net assets without restrictions				
Support and revenue:				
Direct support				
Friends of Scouting	\$ 1,741,700	\$ -	\$ -	\$ 1,741,700
Capital Campaign	-	-	-	-
Special events, net	261,461	-	(600)	260,861
Less cost of direct benefit	(67,525)	-	(72,562)	(140,087)
Net special events	193,936	-	(73,162)	120,774
Legacies and bequests	1,283	-	-	1,283
Foundations and trusts	332,437	-	-	332,437
Other direct support	32,358	2,000	-	34,358
Total direct support	2,301,714	2,000	(73,162)	2,230,552
Indirect support				
United Way	11,230	-	-	11,230
Other indirect support	13,966	157,995	-	171,961
Total indirect support	25,196	157,995	-	183,191
Revenue				
Product sales:				
Product sales - gross	1,132,165	-	-	1,132,165
Less cost of goods sold	(354,143)	-	-	(354,143)
Less commissions paid to unites	(343,968)	-	-	(343,968)
Net product sales	434,054	-	-	434,054
Council charter fee	500,161	-	-	500,161
Camping revenues	580,065	-	-	580,065
Activity revenues	149,600	-	-	149,600
Investment income (loss), net	3,686	-	(1,181,447)	(1,177,761)
Other revenues	194,583	129,354	-	323,937
Total revenue	1,862,149	129,354	(1,181,447)	810,056
Net Assets released from restrictions:				
Reclass Friends of Scouting	97,962	-	-	97,962
Reclass Free to grow capital campaign	-	1,418,763	-	1,418,763
Reclass United Way	14,232	-	-	14,232
Reclass endowment	-	-	-	-
Reclass other direct support	6,004	53,371	-	59,375
Total reclassification of net assets	118,198	1,472,134	-	1,590,332
Total support, revenue, and reclassifications	4,307,257	1,761,483	(1,254,609)	4,814,131
Expenses:				
Program services	3,052,956	304,707	65,161	3,422,824
Support services				
Management and general	542,635	54,159	11,582	608,376
Fundraising	239,298	23,884	5,107	268,289
Total support services	781,933	78,043	16,689	876,665
Charter and national service fee	84,755	-	-	84,755
Contribution to settlement trust	-	-	-	-
Total expenses	3,919,644	382,750	81,850	4,384,244
Change in net assets without restrictions	387,613	1,378,733	(1,336,459)	429,887

OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.
Consolidated Statements of Changes in Net Assets - Fund Basis (Continued)
Year Ended December 31, 2022
(with Comparative Totals for the Year Ended December 31, 2021)

	2022				2021
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
Changes in net assets with restrictions					
Support and revenue:					
Direct support					
Friends of Scouts, net	\$ 43,500	\$ -	\$ -	\$ 43,500	\$ 75,462
Capital campaign	-	-	-	-	276,240
Special events, net	-	-	224,574	224,574	147,495
Legacies and bequests	-	-	-	-	500
Investment income	-	951	-	951	-
Other direct support	75,809	-	80,180	155,989	340,358
Total direct support	<u>119,309</u>	<u>951</u>	<u>304,754</u>	<u>425,014</u>	<u>840,055</u>
Indirect support					
United Way	<u>14,948</u>	<u>-</u>	<u>-</u>	<u>14,948</u>	<u>27,286</u>
Net Assets released from restrictions:					
Reclass Friends of Scouting	(97,962)	-	-	(97,962)	(310,558)
Reclass Free to grow capital campaign	-	(1,418,763)	-	(1,418,763)	-
Reclass United Way	(14,232)	-	-	(14,232)	-
Reclass endowment	-	-	-	-	-
Reclass other direct support	(6,004)	(53,371)	-	(59,375)	(15,000)
Total reclassification of net assets	<u>(118,198)</u>	<u>(1,472,134)</u>	<u>-</u>	<u>(1,590,332)</u>	<u>(325,558)</u>
Total support, revenue, and reclassifications	<u>16,059</u>	<u>(1,471,183)</u>	<u>304,754</u>	<u>(1,150,370)</u>	<u>541,783</u>
Change in net assets with restrictions	<u>16,059</u>	<u>(1,471,183)</u>	<u>304,754</u>	<u>(1,150,370)</u>	<u>541,783</u>
Change in total net assets before transfers	403,672	(92,450)	(1,031,705)	(720,483)	1,442,768
Board Authorized Transfers	<u>(49,099)</u>	<u>49,099</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in total net assets	<u>354,573</u>	<u>(43,351)</u>	<u>(1,031,705)</u>	<u>(720,483)</u>	<u>1,442,768</u>
Net assets, beginning of year					
Without restrictions	918,958	3,529,358	1,977,356	6,425,672	5,524,687
With restrictions	184,954	1,680,968	4,143,559	6,009,481	5,467,698
Total net assets, beginning of year	<u>1,103,912</u>	<u>5,210,326</u>	<u>6,120,915</u>	<u>12,435,153</u>	<u>10,992,385</u>
Net assets, end of year					
Without restrictions	1,257,472	4,957,190	640,897	6,855,559	6,425,672
With restrictions	201,013	209,785	4,448,313	4,859,111	6,009,481
Total net assets, end of year	<u>\$ 1,458,485</u>	<u>\$ 5,166,975</u>	<u>\$ 5,089,210</u>	<u>\$ 11,714,670</u>	<u>\$ 12,435,153</u>

OCCONEECHEE COUNCIL OF BOY SCOUTS OF AMERICA, INC.
Consolidated Statements of Cash Flows - Fund Basis
Year Ended December 31, 2022
(with Comparative Totals for the Year Ended December 31, 2021)

	2022				2021
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
Cash flows from operating activities					
Change in net assets	\$ 354,573	\$ (43,351)	\$ (1,031,705)	\$ (720,483)	\$ 1,442,768
Non-cash adjustments:					
Depreciation expense	-	344,047	-	344,047	338,075
Net loss (gain) on investments	-	-	1,217,241	1,217,241	(686,192)
Forgiveness income from PPP loan	-	-	-	-	(461,800)
Contributions restricted for long-term purposes	-	-	(304,754)	(304,754)	(339,858)
Loss (gain) on sale of assets	-	-	-	-	(2,700)
Adjustments for changes in assets and liabilities					
Accounts receivable	391,041	(10)	(7,861)	383,170	(514,539)
Contributions receivable	28,260	65,750	-	94,010	15,388
Inventory	(19,557)	-	-	(19,557)	8,177
Prepaid expenses	(41,048)	-	15,350	(25,698)	19,004
Interfund amounts receivable/payable	(5)	4	1	-	-
Accrued expenses and payroll	105,858	(3,001)	35,549	138,406	1,976,588
Scholarships payable	(24,000)	-	-	(24,000)	(60,000)
Custodial accounts	157,932	-	-	157,932	62,551
Deferred income	137,494	-	-	137,494	16,906
Net cash provided (used) by operating activities	1,090,548	363,439	(76,179)	1,377,808	1,814,368
Cash flows from investing activities					
Purchase of investments	(500,103)	-	(9,855,787)	(10,355,890)	(2,692,276)
Proceeds from sale of investments	-	-	11,020,850	11,020,850	2,185,515
Purchase of assets	-	(361,567)	-	(361,567)	(39,545)
Proceeds from sale of assets	-	-	-	-	2,161
Net cash (used in) provided by investing activities	(500,103)	(361,567)	1,165,063	303,393	(544,145)
Cash flows from financing activities					
Payments on notes payable	-	(261,995)	-	(261,995)	(700,733)
Proceeds from notes payable	(156,388)	156,388	-	-	567,803
Contributions collected, restricted for long-term purposes	-	-	304,754	304,754	339,858
Draws on line of credit, net of payments	-	-	-	-	(264,372)
Net cash (used) provided by financing activities	(156,388)	(105,607)	304,754	42,759	(57,444)
Net change in cash and cash equivalents	434,057	(103,735)	1,393,638	1,723,960	1,212,779
Cash and cash equivalents, beginning of year	553,319	939,795	87,191	1,580,305	367,526
Cash and cash equivalents, end of year	<u>\$ 987,376</u>	<u>\$ 836,060</u>	<u>\$ 1,480,829</u>	<u>\$ 3,304,265</u>	<u>\$ 1,580,305</u>
Supplemental disclosure of cash flow information					
Cash paid during the year for interest	<u>\$ (2,803)</u>	<u>\$ 3,627</u>	<u>\$ -</u>	<u>\$ 824</u>	<u>\$ 19,941</u>