North Florida Council, Boy Scouts of America, Inc.

(a non-profit organization)
Jacksonville, Florida

Consolidated Financial Statements
December 31, 2019 and 2018

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
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December 31, 2019 and 2018

RALSTON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
8777 SAN JOSE BOULEVARD, SUITE 600
JACKSONVILLE, FLORIDA 32217-4213

R. BRUCE SHEALY
MICHAEL R. RITCH
KEVIN M. FRITZ
JON E. CORNAIRE

ROBERT E. RALSTON
(1921 - 1986)

BERT J. PITTMAN, JR.
(1944 - 2018)

TELEPHONE (904) 730-0440
FAX (904) 730-0993
EMAIL cpas@ralstonco.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Florida Council, Boy Scouts of America, Inc.
Jacksonville, Florida

We have audited the accompanying consolidated financial statements of North Florida Council, Boy Scouts of America, Inc. (a non-profit organization), which comprise the consolidated statements of financial position as of December 31, 2019, and 2018, and the related consolidated statements of activities and changes in net assets, consolidated statements of functional expenses and consolidated statements of 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 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 of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Florida Council, Boy Scouts of America, Inc. as of December 31, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ralston & Company, PA

April 30, 2020

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
Consolidated Statements of Financial Position
December 31, 2019 and 2018

ASSETS

	Operating Fund 2019	Operating Fund 2018	Capital Fund 2019	Capital Fund 2018	Endowment Fund 2019	Endowment Fund 2018	Total, All Funds 2019	Total, All Funds 2018
Cash	$ 193,291	$ 227,496	$ 211,443	$ 195,907	$ 312,188	$ 342,940	$ 716,922	$ 766,343
Restricted cash	-	75,025	-	-	-	-	-	75,025
Accounts receivable	253,721	188,680	6,529	4,231	(208,656)	(120,616)	51,594	72,295
Pledges receivable	198,276	162,171	67,755	153,295	232,830	346,625	498,861	662,091
Inventories	87,910	104,956	-	-	-	-	87,910	104,956
Prepaid expense	122,148	107,080	-	-	-	-	122,148	107,080
Investments	492,044	635,764	-	-	11,623,475	11,079,846	12,115,519	11,715,610
Property and equipment, net of accumulated depreciation	-	-	5,754,901	6,019,139	-	-	5,754,901	6,019,139
	$ 1,347,390	$ 1,501,172	$ 6,040,628	$ 6,372,572	$ 11,959,837	$ 11,648,795	$ 19,347,855	$ 19,522,539

LIABILITIES AND NET ASSETS

	Operating Fund 2019	Operating Fund 2018	Capital Fund 2019	Capital Fund 2018	Endowment Fund 2019	Endowment Fund 2018	Total, All Funds 2019	Total, All Funds 2018
Liabilities:								
Accounts payable and accrued expenses	$ 153,494	$ 156,206	$ -	$ 4,265	$ -	$ -	$ 153,494	$ 160,471
Deferred activities	49,720	45,006	-	-	-	-	49,720	45,006
Custodial accounts	221,956	239,503	-	-	-	-	221,956	239,503
Line of credit	-	-	-	1,195,500	-	-	-	1,195,500
Total liabilities	425,170	440,715	-	1,199,765	-	-	425,170	1,640,480
Net assets:								
Without donor restrictions	730,049	906,052	3,671,335	2,804,014	2,621,219	3,360,730	7,022,603	7,070,796
With donor restrictions	192,171	154,405	2,369,293	2,368,793	9,338,618	8,288,065	11,900,082	10,811,263
Total net assets	922,220	1,060,457	6,040,628	5,172,807	11,959,837	11,648,795	18,922,685	17,882,059
	$ 1,347,390	$ 1,501,172	$ 6,040,628	$ 6,372,572	$ 11,959,837	$ 11,648,795	$ 19,347,855	$ 19,522,539

The accompanying notes are an integral part of this statement.

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
Consolidated Statements of Activities and Changes in Net Assets
For the years ended December 31, 2019 and 2018

	Operating Fund		Capital Fund		Endowment Fund		Total, All Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:								
Direct public support:								
Friends of Scouting	$ 752,719	$ 800,185	$ -	$ -	$ -	$ -	$ 752,719	$ 800,185
Capital contributions	-	-	-	267,282	-	-	-	267,282
Special events - gross	380,237	386,444	-	-	-	-	380,237	386,444
Less cost of direct benefits	(143,753)	(150,741)	-	-	-	-	(143,753)	(150,741)
Net special events	236,484	235,703	-	-	-	-	236,484	235,703
Legacies and bequests	-	-	-	-	9,250	4,175	9,250	4,175
Foundations and trusts	161,541	178,744	-	-	-	-	161,541	178,744
Other direct support	126,814	5,838	-	1,000	-	-	126,814	6,838
Total direct public support	1,277,558	1,220,470	-	268,282	9,250	4,175	1,286,808	1,492,927
Indirect public support:								
United Way	191,052	260,156	-	-	-	-	191,052	260,156
Total indirect public support	191,052	260,156	-	-	-	-	191,052	260,156
Revenue:								
Product sales	1,194,565	1,126,322	-	-	-	-	1,194,565	1,126,322
Less cost of goods sold	(237,922)	(185,776)	-	-	-	-	(237,922)	(185,776)
Less commissions paid to units	(464,636)	(460,155)	-	-	-	-	(464,636)	(460,155)
Net product sales	492,007	480,391	-	-	-	-	492,007	480,391
Investment income (loss), net	741,298	655,775	21,716	16,502	372,991	(605,316)	1,136,005	66,961
Camping revenue	847,736	927,323	-	-	-	-	847,736	927,323
Activity revenue	352,167	244,455	-	-	-	-	352,167	244,455
Other revenue	115,365	114,517	200	400	-	-	115,565	114,917
Total revenue	2,548,573	2,422,461	21,916	16,902	372,991	(605,316)	2,943,480	1,834,047

The accompanying notes are an integral part of this statement.

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
Consolidated Statements of Activities and Changes in Net Assets
For the years ended December 31, 2019 and 2018

	Operating Fund		Capital Fund		Endowment Fund		Total, All Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
Net assets released from restriction								
Satisfaction of program restrictions	835	1,973	-	-	-	(12,575)	835	(10,602)
Expiration of time restriction	142,876	132,205	-	-	-	-	142,876	132,205
Appropriation from donor endowment and subsequent satisfaction of any related donor restrictions	732	1,264	-	-	-	307,050	732	308,314
Net assets released from restriction	144,443	135,442	-	-	-	294,475	144,443	429,917
Total public support and revenue	4,161,626	4,038,529	21,916	285,184	382,241	(306,666)	4,565,783	4,017,047
Expenses								
Program services	3,086,450	3,255,916	380,185	422,475	67,465	55,020	3,534,100	3,733,411
Support services								
Management and general	386,823	392,575	3,925	9,640	13,708	11,180	404,456	413,395
Fundraising	533,222	545,028	65,181	11,775	16,744	13,655	615,147	570,458
Total supporting services	920,045	937,603	69,106	21,415	30,452	24,835	1,019,603	983,853
Charter and National service fees	60,273	59,356	-	-	-	-	60,273	59,356
Total expenses	4,066,768	4,252,875	449,291	443,890	97,917	79,855	4,613,976	4,776,620
Increase (decrease) in net assets without donor restrictions	94,858	(214,346)	(427,375)	(158,706)	284,324	(386,521)	(48,193)	(759,573)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:								
Direct support:								
Friends of Scouting	150,269	142,028	-	-	-	-	150,269	142,028
Capital campaign	-	-	500	-	-	-	500	-
Special events - gross	8,950	-	-	-	-	-	8,950	-
Foundations and trust	11,000	-	-	-	15,000	35,000	26,000	35,000
Other direct support	3,639	940	-	-	34,576	30,874	38,215	31,814
Total direct public support	173,858	142,968	500	-	49,576	65,874	223,934	208,842
Indirect support:								
United Way	7,500	-	-	-	-	-	7,500	-

The accompanying notes are an integral part of this statement.

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
Consolidated Statements of Activities and Changes in Net Assets
For the years ended December 31, 2019 and 2018

	Operating Fund		Capital Fund		Endowment Fund		Total, All Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
Investment income (loss) - net	851	732	-	-	1,000,977	(350,900)	1,001,828	(350,168)
Total indirect support	8,351	732	-	-	1,000,977	(350,900)	1,009,328	(350,168)
Net assets released from restrictions	(144,443)	(135,442)	-	-	-	(294,475)	(144,443)	(429,917)
Total support and revenue	37,766	8,258	500	-	1,050,553	(579,501)	1,088,819	(571,243)
Increase (decrease) in net assets with donor restrictions	37,766	8,258	500	-	1,050,553	(579,501)	1,088,819	(571,243)
INCREASE (DECREASE) IN TOTAL NET ASSETS	132,624	(206,088)	(426,875)	(158,706)	1,334,877	(966,022)	1,040,626	(1,330,816)
NET ASSETS, beginning of year								
Without donor restrictions	906,052	1,366,479	2,804,014	2,860,720	3,360,730	3,603,170	7,070,796	7,830,369
With donor restrictions	154,405	146,147	2,368,793	2,368,793	8,288,065	8,867,566	10,811,263	11,382,506
Total net assets, beginning of year	1,060,457	1,512,626	5,172,807	5,229,513	11,648,795	12,470,736	17,882,059	19,212,875
TRANSFERS AND ADJUSTMENTS	(270,861)	(246,081)	1,294,696	102,000	(1,023,835)	144,081	-	-
NET ASSETS, end of year								
Without donor restrictions	730,049	906,052	3,671,335	2,804,014	2,621,219	3,360,730	7,022,603	7,070,796
With donor restrictions	192,171	154,405	2,369,293	2,368,793	9,338,618	8,288,065	11,900,082	10,811,263
Total net assets, end of year	$ 922,220	$ 1,060,457	$ 6,040,628	$ 5,172,807	$ 11,959,837	$ 11,648,795	$ 18,922,685	$ 17,882,059

The accompanying notes are an integral part of this statement.

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
Consolidated Statements of Functional Expenses
For the years ended December 31, 2019 and 2018

		Supporting Services			Total Program and Supporting Services	
	Program Services	Management and General	Fund Raising	Total	2019	2018
Employee compensation:						
Salaries	$ 1,323,816	$ 197,129	$ 240,780	$ 437,909	1,761,725	$ 1,817,303
Employee benefits	234,140	45,364	55,409	100,773	334,913	309,725
Payroll taxes	106,808	16,421	20,058	36,479	143,287	151,419
Employee related expenses	18,709	1,048	1,280	2,328	21,037	24,964
Total employee compensation	1,683,473	259,962	317,527	577,489	2,260,962	2,303,411
Other expenses:						
Professional fees	76,138	52,912	18,543	71,455	147,593	134,106
Supplies	359,190	1,797	59,071	60,868	420,058	408,951
Telephone	39,163	5,428	6,630	12,058	51,221	52,101
Postage and shipping	7,973	791	5,078	5,869	13,842	12,904
Occupancy	265,258	5,596	25,023	30,619	295,877	386,086
Rental and maintenance of equipment	81,512	4,763	5,817	10,580	92,092	81,467
Publications and media	57,929	702	18,304	19,006	76,935	84,186
Travel	133,913	15,390	18,797	34,187	168,100	192,081
Conferences and meetings	24,039	2,421	2,958	5,379	29,418	34,483
Assistance to individuals	56,414	23	28	51	56,465	71,645
Recognition awards	157,929	15,987	22,132	38,119	196,048	224,510
Interest expense	19,139	-	-	-	19,139	32,355
Insurance	97,963	19,301	21,198	40,499	138,462	136,046
Other expenses	125,885	15,458	89,247	104,705	230,590	152,290
Total other expenses	1,502,445	140,569	292,826	433,395	1,935,840	2,003,211
Expenses before depreciation	3,185,918	400,531	610,353	1,010,884	4,196,802	4,306,622
Depreciation	348,182	3,925	4,794	8,719	356,901	410,642
Total functional expenses	$ 3,534,100	$ 404,456	$ 615,147	$ 1,019,603	$ 4,553,703	$ 4,717,264

The accompanying notes are an integral part of this statement.

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018

	Operating Fund		Capital Fund		Endowment Fund		Total, All Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
CASH FLOWS FROM OPERATIONS								
Change in net assets	$ 132,624	$ (206,088)	$ (426,875)	$ (158,706)	$ 1,334,877	$ (966,022)	$ 1,040,626	$ (1,330,816)
Adjustments to reconcile change in net assets to net cash flows from operations								
Depreciation	-	-	356,901	410,642	-	-	356,901	410,642
Amortization	(3,819)	(624)	-	-	(13,767)	(20,420)	(17,586)	(21,044)
(Gain) loss on sale of investments	(62,867)	(25,174)	-	-	(350,007)	(410,100)	(412,874)	(435,274)
Unrealized (gain) loss in investments	(294,404)	58,669	-	-	(1,166,942)	961,986	(1,461,346)	1,020,655
Change in accounts receivable	(65,041)	46,967	(2,298)	(3,222)	88,040	(37,440)	20,701	6,305
Change in pledge receivable	(36,105)	(55,066)	85,540	51,063	113,795	20,000	163,230	15,997
Change in inventory	17,046	(17,697)	-	-		-	17,046	(17,697)
Change in prepaid expenses	(15,068)	(23,240)	-	-	-	-	(15,068)	(23,240)
Change in accounts payable and accrued expenses	(2,712)	79,532	(4,265)	-	-	-	(6,977)	79,532
Change in deferred activities	4,714	13,406	-	-	-	-	4,714	13,406
Change in custodial accounts	(17,547)	16,400	-	-	-	-	(17,547)	16,400
Transfers and adjustments	(270,861)	(246,081)	1,294,696	102,000	(1,023,835)	144,081	-	-
Net cash flows from operations	(614,040)	(358,996)	1,303,699	401,777	(1,017,839)	(307,915)	(328,180)	(265,134)
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of property and equipment	-	-	(92,663)	(173,713)	-	-	(92,663)	(173,713)
Proceeds from sale asset	-	-	-	-	-	-	-	-
Purchases of investments	(193,437)	(230,243)	-	-	(4,999,144)	(4,347,932)	(5,192,581)	(4,578,175)

The accompanying notes are an integral part of this statement.

North Florida Council, Boy Scouts of America, Inc.
(a non-profit organization)
Consolidated Statements of Cash Flows
For the years ended December 31, 2019 and 2018

	Operating Fund		Capital Fund		Endowment Fund		Total, All Funds	
	2019	2018	2019	2018	2019	2018	2019	2018
Proceeds from sale of investments	698,247	253,589	-	-	5,986,231	4,475,448	6,684,478	4,729,037
Net cash flows from investing activities	504,810	23,346	(92,663)	(173,713)	987,087	127,516	1,399,234	(22,851)
CASH FLOWS FROM BORROWING ACTIVITIES								
Repayment of line of credit	-	-	(1,195,500)	(200,000)	-	-	(1,195,500)	(200,000)
Net cash flows from borrowing	-	-	(1,195,500)	(200,000)	-	-	(1,195,500)	(200,000)
NET INCREASE (DECREASE) IN CASH	(109,230)	(335,650)	15,536	28,064	(30,752)	(180,399)	(124,446)	(487,985)
CASH, beginning of year	302,521	638,171	195,907	167,843	342,940	523,339	841,368	1,329,353
CASH, end of year	$ 193,291	$ 302,521	$ 211,443	$ 195,907	$ 312,188	$ 342,940	$ 716,922	$ 841,368

The accompanying notes are an integral part of this statement.

1. Reporting Entity and Nature of Activities

The North Florida Council, Boy Scouts of America, Inc. (Council), is a Florida non-profit organization operating under a Charter from the Boy Scouts of America, Inc. The Council provides the program of Scouting to young men and women ages 5 through 20 in 17 counties in Northeast Florida. The program utilizes age appropriate curriculum and methods as developed by the Boy Scouts of America, Inc. The Council headquarters is located in Jacksonville, Florida. A local volunteer elected executive board is the governing and reviewing authority for the Council's activities.

It is the mission of the North Florida Council, Boy Scouts of America, Inc., that it shall promote, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys and young men and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America.

The Council's web site address is www.nfcscouting.org. Its primary headquarters is located at 521 South Edgewood Avenue, Jacksonville, Florida 32205; phone 904-388-0591.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Council has control over and an economic interest in a Trust Fund, which results in the accounts of the Trust Fund being consolidated with those of the Council in the accompanying consolidated financial statements. All intercompany balances and transactions have been eliminated in the consolidation. The Council and the Trust Fund are hereinafter collectively referred to as the "Organization."

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

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.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities, and net assets of the Organization are reported in three self-balancing fund groups:

General Operating fund represents unrestricted resources and the portion of expendable funds that are available for the Organization's day-to-day operations.

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. Revenues and expenses related to the capital fundraising campaign are also included in this fund.

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.

Revenue Recognition
Revenue from Exchange Transactions: The Council recognized 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, 2019 and 2018:

<u>Trading Post sales</u> – The Council operates various Trading Posts at its summer camps, which sell Scouting-related merchandise on a retail basis to customers. The performance obligation is the delivery of the goods to the customer. The transaction price is established by the Council based on retail prices suggested by the suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Council recognizes revenue as the customer pays and takes possession of the merchandise. Some merchandise is sold with a right of return. If probable customer returns exist at the end of an accounting period, the Council estimates and records in its financial statements a liability for such returns, which offsets revenue. No liability for probable customer returns was considered necessary as of December 31, 2019 and 2018.

<u>Product sales</u> – To help Scout packs and troops raise the money they need to fund Scout programs and activities throughout the year, the Council participates in the Trail's End Popcorn and Virginia Peanuts program. Scout packs and troops purchase popcorn and/or peanuts from the Council, which they then resell to their customers. The Scout packs and troops earn a

commission of 30% for show and sales and 35% for online sales on each sale they make. The popcorn and peanut sale also helps the Council raise money in support of its programs. Product sales to Scout units start in the fall of each year, with the units placing their orders online through the Trail's End website and/or paper forms at the Council office. The price the Scout unit pays for the popcorn and/or peanuts is established by the Council, and each item is individually priced, so no allocation of the transaction price is required. 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 product sales, the performance obligation is delivery of the product, which is fulfilled by the Council at predetermined time 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 (retained by or paid to the unit). Scout units do not have the right to return to the Council any unsold product, but in rare circumstances, a credit for unsold product is issued. As of December 31, 2019 and 2018, no probable popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

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

Special fundraising event revenue: The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event – the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the consolidated statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. FASB ASU 2014-09 requires allocation of the transaction price to the performance 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. For special event fees received before year-end for an event to occur after year-end, the Council follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance long with the exchange component.

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

Contributions

Pledges receivable for contributions are recognized upon notification of a donor's unconditional promise to give to the Organization. An allowance for uncollectible promises to give is recorded based on an analysis of collection histories and on reviews of the credit worthiness of major donors. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor 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 donor restrictions are reclassified to unrestricted net assets and are reported in the consolidated statement of changes in net assets as assets released from restrictions.

Donated Materials, Long-lived Assets, Facilities & Services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States 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 differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the consolidated financial statements.

Concentration of Credit Risk
The Organization maintains its cash and cash equivalents in several financial institution accounts, which may, at times, exceed the federally insured limit of $250,000 set by the Federal Deposit Insurance Corporation (FDIC). 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. As of December 31, 2019, the uninsured portion of the balances was $141,379.

Consolidated Statements of Cash Flows
For the purpose of the Consolidated Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash
Cash has been placed in a separate account and pledged to Wells Fargo Bank, N.A. as additional security for the revolving line of credit. These funds were set aside at the request of the lending institution as part of the execution of the revolving line of credit. The restricted cash balance was $0 and $75,025 at December 31, 2019 and 2018, respectively.

Recognition of Pledges
Pledges are recorded when received, and allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges totaled $94,160 and $115,192 at December 31, 2019 and 2018. Friends of Scouting enrollments consist of contributions received from individuals and organizations that want to be associated with the Organization through their financial support. There is no requirement for Friends of Scouting to pay an annual membership fee.

Inventories
Inventory consists of scouting and other items available for resale and is stated at the lower of cost are market determined by the first-in, first-out (FIFO) method. The Organization uses hand receipts to account for the inventory. Donated items are recorded at estimated fair value at the date of donation.

Advertising
Advertising costs are charged to operations in the period in which the advertisement is placed. Advertising for 2019 and 2018 amounted to $65,109 and $65,199, respectively.

Investments
Investments consist primarily of assets invested in marketable equity and debt securities, and money-market accounts. The Organization accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Consolidated Statement of Financial Position. Fair value of marketable

equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the Consolidated Statement of Changes in Net Assets.

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

Property and Equipment
The Organization capitalizes all expenditures in excess of $2,500 for property and equipment at cost. Contributed property and equipment is recorded at the estimated fair value on the date the gift was acquired. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. Gains and losses on the disposition of fixed assets are recorded as income or loss at the difference between the gross proceeds received and remaining net book value.

Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed following generally accepted accounting principles.

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.

Income Taxes
The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Functional Allocation of Expenses
The costs of providing the Scouting program and supporting services have been summarized on the Consolidated Statement of Activities and Changes in Net Assets on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses 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 the result of a time study of staff. 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.

Endowment Spending Policy
The Organization's Endowment Fund Corporate Trustee shall pay to the North Florida Council, Boy Scouts of America a quarterly distribution. In making this computation, the fair market value of the assets in the General Fund shall be determined in accordance with recognized asset valuation principles, consistent with the valuation methods regularly used by the Corporate Trustee. In regards to the General Fund, the Trustee shall pay an annualized distribution rate of no more than four and one-half percent (4.5%) based upon the rolling twelve (12) quarter average market value of the General Fund as of the last day of each quarter (March 31/June 30/September 30/December 31). In regards to the Baker Fund, the Trustee shall pay the net income earned each quarter. It shall be the responsibility of the Trust Advisory Committee and Corporate Trustee to periodically review the spending policy against actual returns in order to make any necessary adjustments.

In January 2015, the Board authorized additional distribution at a rate of no more than one and one-half percent (1.5%), based upon the rolling twelve (12) quarter average market value of the General Fund. The additional distribution is restricted for the use to the strategies and activities outlined in the Council's approved Business Plan to increase the number of youth enrolled and engaged in scouting. Additional distribution will remain in effect until the Board acts to amend it, or until January 1, 2018. In November 2017, the Board increased the annual distribution rate to five percent (5.0%) effective January 2018.

Investment Policy
The Organization's primary objective of the Endowment Fund investment portfolio is to generate long-term, total rate of return (income plus appreciation) that will permit real growth in Endowment Fund assets. The Organization views its Endowment Fund as permanent that is, having a perpetual life. Therefore, the Organization is willing to rely on projections of long-term market performance and not be overly concerned by short-term reversals in the market. The general investment policy shall be to diversify investments within both equity and fixed-income securities to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. The investment of certain portions of the Endowment Fund in the future may be restricted or otherwise designated and thus not subject to the full context of the investment policy.

The Endowment Fund shall be invested with the care, skill, prudence and diligence under the prevailing circumstances that a prudent person acting in like capacity and familiar with such matters would use in the investment of Endowment Funds of like character and with like aims. The investments of the Endowment Fund shall be so diversified as to minimize the risk of large losses. Understanding that risk is present in all types of securities and investment styles, the Endowment Fund Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Endowment Fund's objectives. However, the investment managers are to make reasonable efforts to control risk.

Investment guidelines allow for common stock purchases to be limited to marketable securities of companies having a minimum market capitalization of $500,000,000 and quoted on a major exchange or in the over-the-counter markets. Fixed income security purchases will be limited to bonds issued in the U.S. Treasury, government agencies and corporations carrying a credit rating of no less than investment grade as defined by Standard & Poor's or its equivalent as defined by other recognized rating agencies. The investment guidelines should be interpreted as only prohibiting the purchase of bonds rated below investment grade. If lower rated bonds are already held within the portfolio, it is the Committee's discretion to hold or sell according to the money manager's recommendation.

Accounting Pronouncements Adopted
As of January 1, 2019, the Council adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the years ending December 31, 2019 and 2018 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

During the year, the Council also adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provided is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending December 31, 2019 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

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

Recently Issued Accounting Standards
The following accounting pronouncements were recently issued by the FASB:

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 2019, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2020. Early adoption is permitted. The Council is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

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

3. Liquidity

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:

	2019	2018
Cash - Operating Funds	$ 193,291	$ 227,496
Contributions receivable - Operating Funds	198,276	162,171
Accounts receivable - Operating Funds	253,720	188,680
Total financial assets as of year end	645,287	578,347
Appropriation from quasi-endowment for general expenditures in subsequent year	492,044	635,764
Total financial assets available to meet general expenditures within the next 12 months	$ 1,137,331	$ 1,214,111

The Council's endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 5, the quasi-endowment has $492,044 and $635,764 of appropriations from the quasi-endowment will be available within the next 12 months as of December 31, 2019 and 2018, respectively.

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Council invests cash in excess of daily requirements in short-term investments. Additionally, the Council has the quasi-endowment of $492,044. Although the Council does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary. However, both the quasi-endowment and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available (see Note 8 for disclosures about investments).

4. Endowment Fund

The Organization's Endowment Fund includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") 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 Organization classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of 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 as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Changes in the endowment net assets for the years ended December 31, 2019 and 2018, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund Net Assets			
December 31, 2017	$ 3,603,170	$ 8,867,566	$ 12,470,736
Net asset reclassification	294,475	(294,475)	-
Endowment Fund, after reclassification	3,897,645	8,573,091	12,470,736
Investment return	(605,316)	(350,900)	(956,216)
Contributions	4,175	65,874	70,049
Appropriation of endowment asssets for expenditure	64,226	-	64,226
Endowment Fund Net Assets			
December 31, 2018	$ 3,360,730	$ 8,288,065	$ 11,648,795
Net asset reclassification	-	-	-
Endowment Fund, after reclassification	3,360,730	8,288,065	11,648,795
Investment return	372,991	1,000,977	-
Contributions	9,250	49,576	-
Appropriation of endowment assets for expenditure	(1,121,752)	-	-
Endowment Fund Net Assets			
December 31, 2019	$ 2,621,219	$ 9,338,618	$ 11,648,795

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Council to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2019 and 2018. The Council has interpreted the SPMIFA and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

5. Board Designated Net Assets

The Organization's Board of Directors has designated, from net assets without donor restrictions $492,044 and $1,587,083 for the years ended December 31, 2019 and 2018, respectively. The designations of net assets are for the following purposes:

	2019	2018
Operating Reserves	$ 492,044	$ 635,764
Conservation Easements	-	951,319
	$ 492,044	$ 1,587,083

6. Fair Value Measurements

Generally accepted accounting principles clarify that fair value is an exit price, representing the amount that would be received to sell an asset in an orderly transaction between market participants. Under this guidance, fair value measurements are not adjusted for transaction costs. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this guidance are described below.

Level 1
Valuations for assets traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2
Valuations for assets traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or comparable assets which use observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3
Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The types of instruments valued based on quoted market prices in active markets include most U.S. government and agency securities, liquid mortgage products, active listed equities and most money market securities. Such instruments are generally classified within Level 1 or Level 2 of the fair value hierarchy. As required by this guidance, the Organization does not adjust the quoted price for such instruments.

The types of instruments valued based on quoted prices in markets that are not active, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency include most investment-grade and high-yield corporate bonds, less liquid mortgage products, less liquid equities, state, municipal and provincial obligations, and certain physical commodities. Such instruments are generally classified within Level 2 of the fair value hierarchy.

The following tables set forth the Organization's assets that were accounted for or disclosed at fair value on a recurring basis as of December 31, 2019 and 2018.

	Fair Value Measurement at Reporting Date Using			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
December 31, 2019				
Corporate bonds	$ 2,306,645	$ -	$ 2,306,645	$ -
Government bonds	2,775,701	-	2,775,701	-
Equity securities	6,824,530	6,824,530	-	-
	11,906,876	6,824,530	5,082,346	-
December 31, 2018				
Corporate bonds	$ 5,483,101	$ -	$ 5,483,101	$ -
Government bonds	688,277	-	688,277	-
Equity securities	5,335,589	5,335,589	-	-
	11,506,967	5,335,589	6,171,378	-

7. Pledges Receivable

Pledges receivable at December 31, 2019 and 2018 consist of the following:

	2019	2018
Restricted Properties Maintenance Fund	$ 176,425	$ 294,525
Friends of Scouting	247,211	228,967
Restricted Capital Campaign	67,755	153,080
Scout Reach endowment	45,000	45,000
Other unrestricted promises	56,630	55,711
	593,021	777,283
Less: allowance for uncollectible pledges receivable	(94,160)	(115,192)
	$ 498,861	$ 662,091
Pledges receivable due in:		
Less than one year	$ 506,236	$ 603,633
One to five years	86,785	173,650
	$ 593,021	$ 777,283

8. Investments

Fair values of investments are measured on a recurring basis with quoted prices in active markets. The Organization's investments consist of fixed income securities, equity securities, and real estate.

Investments at December 31, 2019 are summarized as follows:

	Cost	Market Value	Unrealized Gain/(Loss)
Corporate bonds	$ 2,248,178	$ 2,306,645	$ 58,467
Government bonds	2,633,661	2,775,701	142,040
Equity securities	5,454,790	6,824,530	1,369,740
	10,336,629	11,906,876	1,570,247
Other investments			
Land held for sale	208,643	208,643	-
	$ 10,545,272	$ 12,115,519	$ 1,570,247

Net realized gain on the sale of investment securities was $412,874 for December 31, 2019. Management fees for 2019 were $98,862. No easements were sold during the year.

Investments at December 31, 2018 are summarized as follows:

	Cost	Market Value	Unrealized Gain/(Loss)
Corporate bonds	$ 5,487,734	$ 5,483,101	$ (4,633)
Government bonds	695,705	688,277	(7,428)
Equity securities	5,216,593	5,335,589	118,996
	11,400,032	11,506,967	106,935
Other investments			
Land held for sale	208,643	208,643	-
	$ 11,608,675	$ 11,715,610	$ 106,935

Net realized loss on the sale of investment securities was $671,234 for December 31, 2018. Management fees for 2018 were $78,294. One easements was sold during the year.

9. Property and Equipment

Property and equipment at December 31, 2019 and 2018 are summarized as follows:

	Estimated Use Life	2019	2018
Land	-	$ 1,146,670	$ 1,146,670
Buildings and improvements:			
St Johns River Base at Echokotee	10-40	1,345,557	1,330,682
Camp Shands	10-40	5,926,473	5,926,473
Scout Service Center	10-40	1,321,823	1,321,823
Guana	-	38,150	38,150
Furniture, fixtures, and equipment	5-7	1,389,659	1,330,395
Vehicles	7-10	346,190	327,667
Aquatic equipment	5-10	242,697	242,697
		11,757,219	11,664,557
Less accumulated depreciation		(6,002,318)	(5,645,418)
		$ 5,754,901	$ 6,019,139

10. Line of Credit

The Company has a revolving line of credit with Wells Fargo Bank, N.A., allowing for borrowings up to $1,600,000, with interest at a fixed rate of 2.50%, with interest payable monthly. The loan requires periodic principal reduction payments such that the outstanding balance does not exceed $1,400,000 at March 11, 2017, $1,200,000 at March 11, 2018, $600,000 at March 11, 2019, and paid off by March 11, 2020. The line of credit is collateralized by a savings account deposited at the financial institution and specifically identified securities. The line of credit was paid off as of December 31, 2019. At December 31, 2018, the Organization had drawn $1,195,500, on the line of credit.

11. Operating Lease

The Organization has entered into operating lease agreements for office equipment. Two leases began in April 2018. One lease requires sixty-three equal monthly payments of $864. The second operating lease began April 2017 and requires thirty-six equal monthly payments of $982. In September 2015 the Organization entered an operating lease that required twenty equal quarterly payments of $513.

Estimated lease payments under non-cancelable operating leases for the next five years and in the aggregate are as follows:

2020	$ 23,690
2021	13,311
2022	10,364
2023	6,909
	$ 54,274

12. Net Assets with Donor Restrictions

Although restricted contributions typically are reported as support that increases net assets with donor restrictions, they may be reported as support without donor restrictions if the restrictions are met in the same reporting period, the policy is followed consistently, and it is disclosed. Net assets with donor restrictions for the following purposes:

	2019	2018
Operating Fund		
Subject to expenditure for special purpose:		
Scouting activities	$ 28,967	$ 9,594
Subject to the passage of time:		
Friends of Scouting	163,204	144,811
Total Operating Fund with donor restrictions	$ 192,171	$ 154,405
Capital Fund		
Perpetual in nature:		
Capital improvements	$ 2,369,293	$ 2,368,793
	$ 2,369,293	$ 2,368,793

	2019	2018
Endowment Fund		
Subject to endowment spending policy:		
and appropriation		
The 1910 Society	$ 4,313,159	$ 3,831,808
ScoutReach Endowment	2,677,194	2,383,440
James E. West Fellowship Program	930,783	807,754
Total subject to endowment spending policy and appropriation	7,921,136	7,023,002
Subject to appropriation and expenditure when a specific event occurs:		
Property Maintenance Fund	700,939	627,874
Camp Shands improvements	248,177	209,707
Tom Baker Building Maintenance Fund	246,157	230,090
Bert Reid Campership Fund	132,042	117,306
MacLean Teachers' Breakfast	86,604	76,939
Ringhaver pool	3,563	3,147
Total subject to appropriation and expenditure when a specific event occurs	1,417,482	1,265,063
Total Endowment Fund with donor restrictions	$ 9,338,618	$ 8,288,065

The Property Maintenance Fund has not been fully funded as of December 31, 2019. The funding is contingent on the Organization matching the gift in its entirety before the gift will be fully paid.

13. Net Assets Released from Restrictions

Net assets were released from donor restrictions during 2019 and 2018 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets released were donated by the following:

	2019	2018
Friends of Scouting	$ 142,876	$ 132,120
Investment income	-	294,475
Special events	-	1,250
Other direct contributions and revenues	1,567	2,072
	$ 144,443	$ 429,917

14. Employee Benefit Plans

BSA Retirement Plan for Employees

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 $53,000 and $88,000 in 2019 and 2018, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2019, indicates that it is in compliance with ERISA regulations regarding funding.

The Organization has established an Eligible 457(b) Deferred Compensation Plan for the benefit of a select group of highly compensated employees.

BSA Match Savings Plan

The Council participates in a 403(b) defined contribution plan established by the National Council of the Boy Scouts of America. The plan name is the BSA Match Savings Plan, which covers substantially all of the employees of the Council. Employees are automatically enrolled in the BSA Match Savings Plan with a Council contribution of 1.75 percent of pay. Participants in the BSA Match Savings Plan may elect to make voluntary pre-tax and/or after-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Council matches employee contributions to the BSA Match Savings Plan up to 100 percent of contributions from each participant, limited to 6 percent of each employee's gross pay. The Council contributed approximately $74,768 and $-0- to the BSA Match Savings Plan in 2019 and 2018, respectively.

Health Care Plan

The Council's employees participate in a health care plan provided by the National Council. The Council pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2019 and 2018, the Council remitted approximately $196,493 and $199,811, respectively, on behalf of its employees to the National Council related to the health care plan.

15. Affiliates

The Organization is obligated to pay an annual administrative and charter fee to the National Boy Scouts of America.

16. Fees from Government Agencies

The Organization receives support from government agencies. This support is subject to change with little notice or inadequate funding to pay for the related cost. A significant reduction in the level of its support, if this were to occur, may have an effect on the Organization's programs and activities.

17. Supplemental Disclosures of Cash Flow Statement

During the years ended December 31, 2019 and 2018 cash payments for interest expense were $19,139 and $32,355, respectively.

18. Contingency

In May 2017, the Church of Jesus Christ of Latter-day Saints (the Church) announced that effective January 1 , 2018 it would be discontinuing its Varsity Scouting and Venturing Program with the Boy Scouts of America for all chartered units. The Council has determined that many of those affected youth will continue to register as Boy Scouts as they work toward their Eagle Scout Awards. In May of 2018, the Church announced that it has decided to pursue programming that will help them meet the needs of their increasing global membership and will no longer charter BSA units after December 31, 2019. Both the program and full financial effects of this change are unknown at this time.

19. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through April 30, 2020, the date which the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the recent COVID-19 coronavirus outbreak a global health emergency, recognizing that the disease represents a risk outside of China, where it emerged. U.S. companies across various industries could be impacted materially by the coronavirus. For many companies, supply chains will be adversely affected and limitation on travel, whether people or cargo, could have significant impacts. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

In February 2020, the National Boy Scouts of America filed for Chapter 11 bankruptcy in order to achieve two key objectives: equitably compensate victims who were harmed during their time in Scouting and continue to carry out the Scouting mission for years to come. The Council is not included as debtors in this case and has not filed for bankruptcy. The economic impact of the National Boy Scouts of America filing Chapter 11 bankruptcy to the Council is unknown and cannot be reasonably estimated at this time.