

**GARDEN STATE COUNCIL, INC.**

**BOY SCOUTS OF AMERICA**

**CONSOLIDATED AUDIT REPORT**

**FOR THE YEARS ENDED**

**DECEMBER 31, 2020 and 2019**



**GARDEN STATE COUNCIL, INC.**

**BOY SCOUTS OF AMERICA**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-2
Consolidated Statements of Financial Position	3
Consolidated Statements of Changes in Net Assets	4-6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	8
Notes to Financial Statements	9-35
Supplementary Information	
Garden State Council, Inc. Boy Scouts of America (including Consolidated Boy Scout Trust Fund)	
Statements of Financial Position	36
Statements of Changes in Net Assets	37-39
Statements of Functional Expenses	40
Statements of Cash Flows	41





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## Independent Auditor's Report

Board of Directors  
Garden State Council, Inc.  
Boy Scouts of America  
Rancocas, New Jersey

We have audited the accompanying consolidated financial statements of Garden State Council, Inc., Boy Scouts of America (a nonprofit organization) which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Burlington County Council, Boy Scout Camp, an affiliate, which statements reflect total assets constituting 49% and 49% of consolidated total assets as of December 31, 2020 and 2019, and total revenues constituting 23% and 42% of consolidated total revenues for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Burlington County Council, Boy Scout Camp, is based solely on the report of the other auditors. We conducted our audit 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the 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 audit opinion.

### ***Opinion***

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Garden State Council, Inc., Boy Scouts of America (a nonprofit organization) as of December 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Ford, Scott & Associates, L.L.C.*

**FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

July 12, 2021

**GARDEN STATE COUNCIL, INC**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31,**

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2020	(As Restated) 2019	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>								
Cash	\$ 540,992	1,070,511	487,477	149,325	8,368		1,036,837	1,219,836
Accounts receivable:								
Activities	38,053	10,343			1,159	1,060	38,053	10,343
Contributions receivable - net	45,258	16,911			21,177,361	20,686,029	46,417	17,971
Investments at fair value							21,177,361	20,686,029
Inventories - at cost	210,639	199,389					210,639	199,389
Interfund Loans	1,103	(28,470)	(2,103)	1,588	1,000	26,882	-	-
Prepaid expenses	77,351	67,474	633	1,028	192,802		77,984	68,502
Other Assets							192,802	192,802
Land, buildings and equipment, Less accumulated depreciation of \$3,899,566 and \$4,400,985			4,307,960	4,468,952			4,307,960	4,468,952
Total Assets	913,396	1,336,158	4,793,967	4,620,893	21,380,690	20,906,773	27,088,053	26,863,824
<b>LIABILITIES AND NET ASSETS</b>								
Accounts payable	53,766	61,248	6,344	1,472			60,110	62,720
Accrued Payroll	10,000						10,000	-
Other current liabilities	12,596	8,830					12,596	8,830
Custodian Accounts:								
Order of the Arrow	50,257	52,290					50,257	52,290
Other	211,070	293,372					211,070	293,372
Deferred income	59,582	84,326					59,582	84,326
Loans Payable	236,398						236,398	-
Total Liabilities	633,669	500,066	6,344	1,472	-	-	640,013	501,538
<b>Net Assets:</b>								
Without Donor Restrictions - Council	(44,864)	407,484	4,199,976	4,191,136	5,280,214	5,002,040	9,435,326	9,600,660
Without Donor Restrictions - Camp Corporation	(18,471)	11,441	270,245	280,916	13,034,272	12,850,350	13,286,046	13,142,707
Without Donor Restrictions - BCCBSALNT			94,544	94,544			94,544	94,544
With Donor Restrictions (As Restated)	343,062	417,167	222,858	52,825	3,066,204	3,054,383	3,632,124	3,524,375
Total Net Assets	279,727	836,092	4,787,623	4,619,421	21,380,690	20,906,773	26,448,040	26,362,286
Total Liabilities and Net Assets	\$ 913,396	1,336,158	4,793,967	4,620,893	21,380,690	20,906,773	27,088,053	26,863,824

The accompanying notes are an integral part of these financial statements

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31,**

	2020				2019			
	Operating Fund	Capital Fund	Endowment Fund	Total	(As Restated) Operating Fund	Capital Fund	Endowment Fund	Total
Changes in net assets without donor restrictions:								
Public Support and Revenue:								
Direct Contributions:								
Friends of Scouting - Gross	\$ 100,872			100,872	134,525			134,525
Less: Provision for Uncollectibles	(7,245)			(7,245)	(9,999)			(9,999)
Net Friends of Scouting	93,627			93,627	124,526			124,526
Contributions from individuals and organizations								
Foundations and Trusts	407,577		6,343	413,920	461,507	15,000	2,060	478,567
Special events - Gross	220,463			220,463	490,518			490,518
Less: Cost of net Benefits	(35,093)			(35,093)	(111,254)			(111,254)
Net Special events	185,370			185,370	379,264			379,264
Total direct contributions	686,574	-	6,343	692,917	965,297	15,000	2,060	982,357
Indirect Contributions:								
United Ways	6,609			6,609	7,181			7,181
Total indirect contributions	6,609	-	-	6,609	7,181	-	-	7,181
Other Revenues:								
Sale of supplies - Gross	234,042			234,042	453,319			453,319
Less: Cost of Goods Sold	(144,772)			(144,772)	(287,556)			(287,556)
Net Sales of Supplies	89,270			89,270	165,763			165,763
Product Sales	131,178			131,178	456,848			456,848
Less: Commissions	(50,057)			(50,057)	(107,641)			(107,641)
Less: Cost of Goods Sold	(31,908)			(31,908)	(96,343)			(96,343)
Net Sales of Products	49,213			49,213	252,864			252,864
Camping Activities	41,388			41,388	428,402			428,402
Net realized gain/(loss) on investments	60,162			60,162	88,461			88,461
Net unrealized gain/(loss) on investments			2,454,337	2,454,337			268,374	268,374
Investment income/(expense)	286,869	12	(2,020,796)	690,486	164,410	18	3,314,810	3,314,810
Other	101,338	3,942	403,605	105,280	37,011	22,833	318,017	482,445
Total other revenues	628,240	3,954	837,146	1,469,340	1,136,911	22,851	3,901,201	5,060,963
Net assets released from restrictions	86,792	4,473		91,265	74,747			74,747
Total public support and revenues	1,408,215	8,427	843,489	2,260,131	2,184,136	37,851	3,903,261	6,125,248

The accompanying notes are an integral part of these financial statements

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31,**

	2020				2019			
	Operating Fund	Capital Fund	Endowment Fund	Total	(As Restated) Operating Fund	Capital Fund	Endowment Fund	Total
Expenses:								
Program services	\$ 1,294,308	163,598		1,457,906	1,653,825	162,074		1,815,899
Supporting Services								
Management and general	378,337	47,821		426,158	483,426	47,375		530,801
Fundraising	318,599	40,270		358,869	407,095	39,895		446,990
Total supporting services	696,936	88,091	-	785,027	890,521	87,270	-	977,791
Loss on the Disposal of Assets		6,213		6,213				-
Charter and national service fee	32,980			32,980	32,623			32,623
Total expenses	2,024,224	257,902	-	2,282,126	2,576,969	249,344	-	2,826,313
Changes in net assets without donor restrictions	(616,009)	(249,475)	843,489	(21,995)	(392,833)	(211,493)	3,903,261	3,298,935
Changes in net assets with donor restrictions:								
Public Support and Revenue:								
Direct Contributions:								
Friends of Scouting - Gross	7,605			7,605	1,000			1,000
Less: Provision for Uncollectibles	-			-	-			-
Net Friends of Scouting	7,605			7,605	1,000			1,000
Contributions from individuals and organizations:								
Indirect Contributions United Way	207	24,506		24,713				-
Contributions from individuals and organizations		150,000		150,000	171,893			171,893
Other Direct Contributions			11,821	11,821				-
Special Events	4,875			4,875				-
Net unrealized gain/(loss) on investments				-			104,342	104,342
Investment income/(expense)				-	12,209			12,209
Net Assets released from restrictions	(86,792)	(4,473)		(91,265)	(74,372)			(74,372)
Changes in net assets with donor restrictions	(74,105)	170,033	11,821	107,749	110,730	-	104,342	215,072
Changes in total net assets	(690,114)	(79,442)	855,310	85,754	(282,103)	(211,493)	4,007,603	3,514,007

The accompanying notes are an integral part of these financial statements

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31,**

	2020				2019			
	Operating Fund	Capital Fund	Endowment Fund	Total	(As Restated) Operating Fund	Capital Fund	Endowment Fund	Total
Total net assets beginning of the year	\$ 836,092	4,619,421	20,906,773	26,362,286	603,846	4,825,544	17,418,889	22,848,279
Transfers	133,749	247,644	(381,393)	-	514,349	5,370	(519,719)	-
Total net assets, end of year	<u>279,727</u>	<u>4,787,623</u>	<u>21,380,690</u>	<u>26,448,040</u>	<u>836,092</u>	<u>4,619,421</u>	<u>20,906,773</u>	<u>26,362,286</u>
Analysis of ending net assets:								
Without Donor Restrictions - Council	(44,864)	4,199,976	5,280,214	9,435,326	407,484	4,191,136	5,002,040	9,600,660
Without Donor Restrictions - Camp Corporation	(18,471)	270,245	13,034,272	13,286,046	11,441	280,916	12,850,350	13,142,707
Without Donor Restrictions - BCCBSALNT	-	94,544	-	94,544	-	94,544	-	94,544
With Donor Restrictions (As Restated)	343,062	222,858	3,066,204	3,632,124	417,167	52,825	3,054,383	3,524,375
Total net assets, end of year	<u>\$ 279,727</u>	<u>4,787,623</u>	<u>21,380,690</u>	<u>26,448,040</u>	<u>836,092</u>	<u>4,619,421</u>	<u>20,906,773</u>	<u>26,362,286</u>

The accompanying notes are an integral part of these financial statements

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31,**

	2020				2019			
	Program Services	Management & General	Fund Raising	Total Support Services	Program Services	Management & General	Fund Raising	Total Support Services
Professional Salaries	\$ 350,656	102,499	86,315	188,814	360,738	105,447	88,797	194,244
Staff Salaries	254,420	74,369	62,626	136,995	300,269	87,771	73,912	161,683
Payroll Taxes	54,599	15,960	13,440	29,400	51,347	15,009	12,639	27,648
Employee Benefits	123,976	36,239	30,517	66,756	137,430	40,172	33,829	74,001
Employment Related Expenses					26,805	7,835	6,598	14,433
Total salaries and related expenses	783,651	229,067	192,898	421,965	876,589	256,234	215,775	472,009
Travel Expense	20,307	5,936	4,999	10,935	37,426	10,940	9,212	20,152
Occupancy Expense								
Utilities	71,333	20,851	17,559	38,410	96,092	28,088	23,653	51,741
Real Estate Taxes	18,093	5,289	4,454	9,743	24,070	7,036	5,925	12,961
Fire and Liability Insurance	54,400	15,902	13,391	29,293	52,060	15,217	12,815	28,032
Repairs and Maintenance	36,797	10,756	9,058	19,814	77,298	22,595	19,027	41,622
Operating Supplies	21,516	6,289	5,296	11,585	51,588	15,080	12,699	27,779
Postage	7,900	2,309	1,945	4,254	11,183	3,269	2,753	6,022
Telephone	26,597	7,775	6,547	14,322	26,256	7,675	6,463	14,138
Conference Expense	5,925	1,732	1,459	3,191	23,717	6,933	5,838	12,771
Recognition awards	21,614	6,318	5,320	11,638	31,730	9,275	7,810	17,085
Specific Assistance to Individuals					8,302	2,427	2,044	4,471
Professional Fees	113,657	33,223	27,977	61,200	106,655	31,176	26,254	57,430
Activity Expense	6,168	1,803	1,518	3,321	94,648	27,666	23,298	50,964
Equipment Expense	19,896	5,816	4,897	10,713	15,266	4,462	3,758	8,220
Printing and Publications	1,900	555	468	1,023	4,635	1,355	1,141	2,496
Other Expense:								
Rental Property Expenses	30,997	9,061	7,630	16,691	19,008	5,556	4,679	10,235
Insurance	49,024	14,330	12,067	26,397	58,548	17,114	14,412	31,526
Miscellaneous	21,310	6,229	5,246	11,475	35,921	10,500	8,842	19,342
Bad Debt Expense				-	11,771	3,441	2,897	6,338
Camping Expense	14,220	4,157	3,500	7,657	10,070	2,943	2,479	5,422
Total expense before depreciation	1,325,305	387,398	326,229	713,627	1,672,833	488,982	411,774	900,756
Depreciation	132,601	38,760	32,640	71,400	143,066	41,819	35,216	77,035
Total Functional Expenses	\$ 1,457,906	426,158	358,869	785,027	1,815,899	530,801	446,990	977,791

2,573,589  
220,101  
2,793,690

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31,**

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2020	(As Restated) 2019	2020	2019	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:								
Change in net assets	\$ (690,114)	(282,103)	(79,442)	(211,493)	855,310	4,007,603	85,754	3,514,007
Adjustments to reconcile change in net assets to net cash used by operating activities:								
Depreciation			204,002	220,101			204,002	220,101
Loss on disposal of assets			6,213				6,213	-
Interest and Dividends on Investments					(403,605)	(318,017)	(403,605)	(318,017)
(Gain)/Loss on sale of investments					(2,454,337)	(268,374)	(2,454,337)	(268,374)
Unrealized (Gain)/Loss on investments					2,020,796	(3,419,152)	2,020,796	(3,419,152)
(Increase)/Decrease in accounts receivable	(27,710)	8,464		15,836			(27,710)	24,300
(Increase)/Decrease in contributions receivable	(28,347)	13,714			(99)		(28,446)	13,714
(Increase)/Decrease in inventories	(11,250)	(3,487)					(11,250)	(3,487)
(Increase)/Decrease in interfund loans	(29,573)	27,470	3,691	(1,588)	25,882	(25,882)		-
(Increase)/Decrease in prepaid expenses	(9,877)	(41,940)	395	(672)			(9,482)	(42,612)
(Increase)/Decrease in other assets							-	58,604
Increase/(Decrease) in accounts payable	(7,482)	(18,338)	4,872	(12,994)			(2,610)	(31,332)
Increase/(Decrease) in accrued payroll	10,000	-					10,000	
Increase/(Decrease) in other current liabilities	3,766	(17,418)					3,766	(17,418)
Increase/(Decrease) in custodian accounts	(84,335)	45,251					(84,335)	45,251
Increase/(Decrease) in deferred income	(24,744)	73,496					(24,744)	73,496
Increase/(Decrease) in loans payable	236,398	-					236,398	-
Interfund Transfers	133,749	514,349	247,644	5,370	(381,393)	(519,719)	-	-
Net cash provided/(used) by operating activities	(529,519)	319,458	387,375	14,560	(337,446)	(484,937)	(479,590)	(150,919)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from sale of investments					1,736,250	1,736,250	1,736,250	1,736,250
Purchase of investments					(1,390,436)	(1,251,313)	(1,390,436)	(1,251,313)
Capital expenditures			(49,223)	(91,267)			(49,223)	(91,267)
Net cash provided/(used) in investing activities	-	-	(49,223)	(91,267)	345,814	484,937	296,591	393,670
Net increase/(decrease) in cash and cash equivalents	(529,519)	319,458	338,152	(76,707)	8,368	-	(182,999)	242,751
Cash and cash equivalents at beginning of year	1,070,511	751,053	149,325	226,032	-	-	1,219,836	977,085
Cash and cash equivalents at end of year	\$ 540,992	1,070,511	487,477	149,325	8,368	-	1,036,837	1,219,836

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The Local Council, Boy Scouts of America (the "Council") operates in Burlington, Camden, Gloucester, Salem, Cumberland and Cape May Counties, New Jersey. The Organization consists of the Council, Trust Funds used to manage certain monetary assets of the Council and two separate corporations used to manage camp facilities that hold the land and camping facilities for the benefit of the Council. A more detailed description of the Trust Fund and Camp Corporations is included in the following pages. On January 1, 2013, the Burlington County Council located in Burlington County and Southern New Jersey Council located in Cumberland County completed a merger resulting in the Garden State Council. The merger was performed to consolidate overhead expenses allowing for reinvestment of those funds into program support and expansion. The Council is a not-for-profit organization devoted to promoting, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Bylaws, the Rules and Regulations of the Boy Scouts of America, the Scouting program of providing the ability of boys, 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 programs are classified as follows:

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

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

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

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

Venturing—Provides experiences to help young men and women, ages 14—or 13 with completion of the eighth grade—through 20, become mature, responsible, caring adults. Young people learn leadership skills and participate in challenging outdoor activities, including having access to Boy Scout camping properties, a recognition program, and Youth Protection training.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

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.

Families can choose to sign up their sons and daughters who are ages 5-10 for Cub Scouts. Chartered organizations may choose to establish a new girl pack, establish a pack that consists of girl dens and boy dens or remain an all-boy pack. Cub Scout dens will be single gender — all boys or all girls. Using the same curriculum as the (now) former Boy Scouting program, Scouts BSA launched in February 2019, enabling all eligible youth ages 11-17, to earn the Eagle Scout rank. Scouts BSA is single gender – all-girl troops or all-boy troops. This unique approach allows the organization to maintain the integrity of the single-gender model while also meeting the needs of today's families.

The Council's Web site address is <http://www.gardenstatescouting.org>

The Burlington County Council, Boy Scout Camp Corporation (the "Camp") is the owner of the Pine Tree Education and Environmental Center. The Center's mission is to enhance the development of the physical, mental and emotional fitness of youth through camping. In addition to the Center, the Camp owns various investments. Income from those investments may be made available for the general purpose of the Council at the direction of the Camp Board of Directors.

The BCCBSALNT, Inc. (the "LNT Camp") is the owner of 162.83 acres of unimproved land in the South Jersey pinelands. The land is to be used for low impact camping, commonly referred to as leave no trace camping.

The Burlington County Council Boy Scout Trust Fund (the "Trust Fund") was established on August 14, 1952 to hold the principal of certain money and property, including any accumulations thereof, for the general and donor-designated purposes of the Council. The Trust Fund is overseen by the Investment Advisory Committee in accordance with the provisions of the Trust Agreement. The Southern Jersey Council Boy Scout Trust Fund was established to hold the principal of certain money and property, including any accumulations thereof, for the general and donor-designated purposes of the Council. The Trust Fund is overseen by the Investment Advisory Committee in accordance with the provisions of the Trust Agreement.

**Principles of Consolidation**

The Council has voting control over and an economic interest in the Camp, the LNT Camp and the Trust Fund which results in the accounts of the Camp, the LNT Camp and 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, the Camp, the LNT Camp, and the Trust Fund are hereinafter referred to as the "Organization." The supplemental schedules exclude the Camp and the LNT camp.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**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 combined financial statements have been presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Council reports information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the council's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the council or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. 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 differ from those estimates.

**Cash and Cash Equivalents**

The Council considers all highly liquid investments purchased with original maturities 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 popcorn (product) sales and are reported at net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance for doubtful accounts was considered necessary as of December 31, 2020 and 2019.

**Interfund Loans**

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

**Inventories**

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

**Land, Buildings, and Equipment and Related Depreciation**

Purchased property and equipment are stated at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals of \$1,000 or more are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the change in net assets.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Depreciation of property and equipment and amortization of leasehold improvements are computed using the straight-line method based on the shorter of the estimated useful lives or lease terms of the assets as follows:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Land improvements	10 – 40 years
Buildings and leasehold improvements	2 – 50 years
Furniture, fixtures and equipment	3 – 20 years

Donations of property and equipment are recorded as contributions at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose based on its fair value. Assets donated with explicit restrictions regarding their use, absent donor stipulations regarding how long those donated assets must be maintained, are recorded as net assets with donor restrictions. The Council reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Council reclassifies net assets with donor restrictions that are temporary in nature to net assets without donor restrictions at that time.

**Construction in Progress**

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

**Long-lived Assets**

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

**Investments**

Investments consist primarily of assets invested in marketable equity and debt securities, alternative investments, commodities, and money-market accounts. The Organization accounts for investments in accordance with FASB requirements. 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

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

consolidated Statements of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. The realized and unrealized gain or loss on investments is reflected in the consolidated Statements 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.

**Investment Policy**

The Organization's investment policy intends for the Organization 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 Organization expects its Endowment Fund, over time, to provide a reasonable rate of return. To satisfy the long-term rate of return objective, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on marketable equity and debt securities and money-market accounts to achieve its long-term return objectives within prudent risk constraints.

**Investment Spending Policy**

On July 21, 2014, the Board of Directors (through the Executive Committee) approved an endowment spending policy. The policy is as follows:

**Program Support Fund:** In support of that mission, the liquid assets of the Program Support Fund shall be invested to provide earnings, in the form of a total return from principal, capital appreciation, and income to meet the Council's current budgetary requirements, while maintaining a Program Support Fund for future operational needs of the council. However, it is recognized that, despite the budgeting of a realistic and prudent amount, it is possible that distributions can fall short by a significant amount. In that case, a 2/3 majority vote of the Board members attending an Executive Board meeting may approve a Special Supplementary Board Grant of funds from the Program Support Fund for that fiscal year, up to the amount of the aforesaid shortfall, but not to exceed an additional two percent (2%) of Program Support Fund's total average 5-year market value as of December 31 of the preceding year.

**Trust Fund:** Annual withdrawals shall not exceed the amount of the fund earnings (interest and dividends) and shall remain in effect until an adjustment is determined by the board. To allow for future growth, income distributions may be limited to 5% of the average previous five year's total book value.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**Revenue Recognition**

Camping and activity revenue is recognized in the period in which the service is provided. Funds received in advance of providing these services are recorded as deferred income until the services are provided.

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

**Revenue Recognition**

*Revenue from Exchange Transactions:* The Council recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Council records the following exchange transaction revenue in its (consolidated) statements of activities and changes in net assets for the years ending December 31, 2020 and 2019:

Scout Shop and Trading Post sales: The Council operates a Scout Shop in its Service Center and various Trading Posts at its summer camp(s), which sell Scouting-related merchandise on a retail basis to customers. The performance obligation is the delivery of the good to the customer. The transaction price is established by the Council based on retail prices suggested by the suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Council recognizes revenue as the customer pays and takes possession of the merchandise. Some merchandise is sold with a right of return. If probable customer returns exist at the end of an accounting period, the Council estimates and records in its financial statements a liability for such returns, which offsets revenue. No liability for probable customer returns was considered necessary as of December 31, 2020 and 2019.

Product sales: To help Scout packs and troops raise the money they need to fund programs and activities throughout the year, the Council participates in the Trail's End Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The 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

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

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 (retained by or paid to the unit).

Scout units have the right to return to the Council any unsold product. As of December 31, 2020 and 2019, 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 liabilities (deferred revenue) and are only recognized in the statements of activities after delivery of the program has occurred.

Special fundraising event revenue: The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the (consolidated) statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Council separately presents in its 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 liabilities (deferred revenue) and recognized as special event

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

revenue after delivery of the event. For special event fees received before year-end for an event to occur after year-end, the Council follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

*Other Revenue:* Other revenue consists primarily of rent revenue (if this applies to your council) and is recognized on a monthly basis as earned.

**Contributions Receivable**

Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Council's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is recorded when the Council determines, based on historical experience and collection efforts, that a contribution receivable (carried over from a prior year) is uncollectible. As of December 31, 2020 and 2019, contributions receivable were net of an allowance for uncollectible pledges of \$7,245 and \$10,000, respectively.

**Donated Materials and Services**

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Council reports the donations in the net assets without donor restrictions category, 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 in the net assets with donor restrictions category. Per FASB ASU 2016-14 and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council. Some members of the Council have donated significant amounts of time to the Council in furthering its programs and

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

objectives. However, no amounts have been included in the consolidated financial statements for donated member or volunteer services since they did not meet the criteria for recognition.

**Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing those services. 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 basis of allocation of these expenses is the result of a time study of staff performed every 3 years. The results of the 2018-time study are as follows: 65% Program, 19% fundraising and 16% management and general.

**Advertising Costs**

It is the Organization's policy to expense all advertising costs when incurred. Direct advertising costs for the years ended December 31, 2020 and 2019 were \$2,709 and \$1,848, respectively.

**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 (if applicable to your council).

**Federal and State Income Taxes**

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from State income taxes and is registered with the State of New Jersey Charitable Registration and Investigation Act (CRI) of 1994. The Organization currently has no unrelated business income. No provision has been made for federal or state income taxes. The Organization has adopted the provisions of the FASB standard on *Accounting for Uncertainty in Income Taxes*. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2020 and 2019, there were no interest or penalties recorded or included in the consolidated financial statements. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before January 1, 2017. The Organization is generally no longer subject to examination by the New Jersey Attorney General for years before January 1, 2016.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**Fair Value Measurement**

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

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

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets to which the Council has 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

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

based on the lowest level input that is significant to the fair value measurement in its entirety.

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

**Paycheck Protection Program**

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

The Council expects to meet the PPP's eligibility criteria, and concludes that the PPP loan represents, in substance, a loan that is expected to be forgiven. Accordingly, the Council has initially recorded the loan as a long term debt and will record the forgiveness in accordance with FASB Accounting Standards Codification (ASC) Topic 470, Debt, and reclassify the amount forgiven to other income upon legal release by the lender.

**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 adopted the provisions of FASB ASU 2018-13, Fair Value Measurement (Topic 820) Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. Adoption of this pronouncement had no effect on the Council's current or previously issued financial statements.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

In 2019, the Council also adopted the provisions of FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). 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, 2020 and 2019 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

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

Effective for the Council in 2019, FASB ASU 2016-01, Financial Instruments – Overall Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825-10) allows an NFP to choose, on an investment-by-investment basis, to report an equity investment without a readily determinable fair value, that does not qualify for the practical expedient fair value in accordance with FASB ASC 820-10-35-59, at its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issue. The FASB ASU requires additional disclosures about those investments. Adoption of this accounting pronouncement had no effect on the Council's 2019 and 2020 financial statements.

**Recently Issued Accounting Standards**

The following accounting pronouncements were recently issued by the FASB:

In order to give immediate relief to certain entities as a result of the widespread, adverse economic effects caused by the COVID-19 pandemic, on June 3, 2020, the FASB issued ASU No. 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

(Topic 842), Effective Dates for Certain Entities. This Accounting Standards Update defers the effective dates of FASB ASC Topics 606 and 842 to fiscal years beginning after December 15, 2019 and December 15, 2021, respectively, for certain entities that had not issued their financial statements (or made them available for issuance) as of June 3, 2020.

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

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the consolidated statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the consolidated statement of activities and changes in net assets and the consolidated statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. The Council is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities, which changed the previous guidance for net asset classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity, and presentation of operating cash flows. ASU 2016-14 reduced the required number of classes of net assets from three to two: net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses was eliminated. ASU 2016-14 requires not-for-profit entities to disclose the aggregate fair value of underwater endowment funds as well as the aggregate original gift amounts to be maintained. ASU 2016-14 also requires an NFP to disclose its interpretation of the ability to spend from underwater endowment funds including its policy, and any actions taken during the period, concerning appropriation from underwater endowment funds. All underwater endowment funds are classified as part of net assets with donor restrictions rather than as a charge to unrestricted net assets as per the previous rules. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

the placed-in-service approach to account for capital gifts. The option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions must be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. For statements of cash flows, ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 was effective for annual reporting periods beginning after December 15, 2017. The Council adopted the provisions of ASU 2016-14 in 2018.

**NOTE 2—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:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash - Operating Fund	\$ 540,992	1,070,511
Contributions Receivable - Operating Fund	45,258	16,911
Accounts Receivable - Operating Fund	<u>38,053</u>	<u>10,343</u>
Total financial assets	624,303	1,097,765
Less amounts not available to be used within one year:		
Net Assets with donor Restrictions	<u>343,062</u>	<u>417,167</u>
	<u>343,062</u>	<u>417,167</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 281,241</u>	<u>680,598</u>

**NOTE 3: FUND BALANCE TRANSFERS**

Certain cash transfers between funds were made during the year to properly report all funds on a basis consistent with executive board designations and the Council's accounting policies.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**NOTE 4: LAND, BUILDINGS, AND EQUIPMENT**

A summary of fixed assets at December 31 is as follows:

	<u>2020</u>	<u>2019</u>
Construction In Process	\$ 77,706	69,346
Land and Improvements	1,345,994	1,351,381
Buildings & Improvements	5,957,801	5,973,446
Leasehold Improvements	141,369	141,369
Furniture, Fixtures & Equipment	572,845	1,164,894
Furniture & Fixtures-Camp	48,858	41,200
Vehicles	62,953	128,301
	<u>8,207,526</u>	<u>8,869,937</u>
Less Accumulated Depreciation	3,899,566	4,400,985
Net Property, Plant & Equipment	<u>\$ 4,307,960</u>	<u>4,468,952</u>

**NOTE 5: DEFERRED REVENUE**

Several activity and camp events begin late in the calendar year and carry over to the next calendar year. Receipts pertaining to these events are recorded as deferred revenue on December 31<sup>st</sup> and are recognized in the subsequent year when the activity is held.

	<u>Activity</u>	<u>Camp</u>	<u>Total</u>
Balance at December 31, 2018	\$ (7,197)	(3,633)	(10,830)
Revenue Recognized	7,197	3,633	10,830
Payments received for future performance obligations	(83,511)	(815)	(84,326)
Balance at December 31, 2019	<u>(83,511)</u>	<u>(815)</u>	<u>(84,326)</u>
Revenue Recognized	83,511	815	84,326
Payments received for future performance obligations	(58,762)	(820)	(59,582)
Balance at December 31, 2020	<u>\$ (58,762)</u>	<u>(820)</u>	<u>(59,582)</u>

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**NOTE 6: SPECIAL EVENT REVENUE**

Gross receipts from special fundraising events recorded by the Council consist of exchange transaction revenue and contribution revenue. As a result of adopting FASB ASU 2014-09 during 2019, the Council is required to separately present the components of this revenue.

	2020	2019
Contributions	\$ 213,831	418,194
Special Event Revenue	6,632	72,324
	<u>\$ 220,463</u>	<u>490,518</u>

**NOTE 7: CONTRIBUTIONS RECEIVABLE**

Contributions receivable are recognized when made; assuming the donor's ability and intent to honor the pledge is known or estimatable. An allowance for uncollectible pledges is recorded at the time the pledge is made. This allowance is revised periodically when conditions indicate changes in facts and circumstances. At year end the allowance for uncollectible pledges is adjusted to actual. Based on the Organization's analysis, there was an allowance of \$10,000 and \$10,000 as of December 31, 2020 and 2019, respectively.

Pledges receivable are expected to be collected based on the following schedule:

	2020	2019
Pledges Receivable- Net	<u>\$ 45,258</u>	<u>16,911</u>

**NOTE 8: 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 \$32,980 and \$32,623 for the years ended December 31, 2020 and 2019, respectively. The accounts payable balance includes payables to the National Council of \$0 and \$0 as of December 31, 2020 and 2019, respectively.

**NOTE 9: PAYROLL TAXES**

As of December 31, 2020 and 2019 the Organization is current with all payroll and related taxes.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**NOTE 10: COMPENSATED ABSENCES**

Employees of the Organization are permitted to accrue sick and vacation time during the calendar year based on their length of service. Unused sick time is permitted to be carried over and used in a subsequent calendar year. Unused vacation time can only be carried over and used in a subsequent calendar year with the consent of the Scout Executive. Upon separation of service employees are not compensated for unused days. As a result, no accrual for unused sick and vacation time has been made as of December 31, 2020 and 2019.

**NOTE 11: INVESTMENTS**

The Organization invests only in debt and equity securities with a readily determinable fair market value. All investments are carried at fair value, as determined by current sales prices or bid and asked quotations on the stock exchange.

The Organization's portfolio consists of:

	2020		2019	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash & cash equivalents	\$ 831,464	831,464	770,328	770,328
Common stocks	12,728,448	18,059,540	10,096,599	18,400,870
Government bonds	2,189,152	2,286,357	1,499,748	1,514,831
	<u>\$ 15,749,064</u>	<u>21,177,361</u>	<u>12,366,675</u>	<u>20,686,029</u>

The Board of Trustees designates a portion of the Organization's investment income from interest and dividends to be used for current operations.

The following schedule summarizes investment return and its classification in the Statement of Activities:

	2020	2019
Unrealized Gain	\$ 6,298,558	8,319,354
Unrealized Gain prior year	8,319,354	4,900,202
Net Unrealized Gain/(Loss)	(2,020,796)	3,419,152
Current year Realized Gain	2,454,337	268,374
Net Realized/Unrealized Gain/(Loss)	<u>\$ 433,541</u>	<u>3,687,526</u>

Investment revenues are reported in the financial statements net of related expenses. Total related expenses for custody, advisory and management fees were \$61,660 and \$77,936 for 2020 and 2019, respectively.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**NOTE 12: FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019:

<u>Description</u>	<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>
Level 1: Quoted Prices	\$ 21,177,361	20,686,029
Total Fair Value	<u>\$ 21,177,361</u>	<u>20,686,029</u>

The following methods and assumptions were used to estimate the fair values of the assets in the table above:

*Level 1 Fair Value Measurements*

The fair value of the debt and equity securities is based on the actual market value held by the Organization at year-end.

The following tables provide the fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2020 and 2019:

<u>Description</u>	<u>2020</u>		<u>2019</u>	
	<u>Level 1</u>	<u>Total</u>	<u>Level 1</u>	<u>Total</u>
Common Stock	\$ 18,059,540	18,059,540	18,400,870	18,400,870
Bonds	2,286,357	2,286,357	1,514,831	1,514,831
Money Market	831,464	831,464	770,328	770,328
Total	<u>\$ 21,177,361</u>	<u>21,177,361</u>	<u>20,686,029</u>	<u>20,686,029</u>

**NOTE 13: RETIREMENT 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). From January 1, 2020

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

through July 31, 2020, 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) contributed 4.25 percent of compensation to the plan. Effective August 1, 2020, the plan was frozen to grandfathered employees, thereby freezing the plan for all BSA employees. 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 \$35,633 in 2020 and \$37,179 in 2019 and covered current service cost. The actuarial information for the multi-employer plan as of February 1, 2020, indicates that it is in compliance with ERISA regulations regarding funding.

**403(b) Thrift Plan**

The Council sponsors a voluntary 403(b) Thrift Plan. All eligible employees may participate in the plan. Organization contributions will match 50% of the amount contributed by an eligible employee, up to 3% of the employee's wage. For the year ended December 31, 2020 and 2019, the Organization contributed \$33,503 and \$33,644 to the 403(b) Thrift Plan, 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, 2020 and 2019, the Council remitted approximately \$103,674 and \$123,907, respectively, on behalf of its employees to the National Council related to the health care plan.

**NOTE 14: OPERATING LEASE OBLIGATIONS**

**Lessor:**

The Council entered into various lease agreements for the use of their facilities at various locations in New Jersey. The leases are renewable annually at various dates. Rental income as of December 31, 2020 and 2019 was \$13,888 and \$22,832, respectively.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**NOTE 15: NET ASSETS**

Net assets with donor restrictions were as follows for the years ended December 31, 2020 and 2019:

	2020			
<u>Specific Purpose</u>	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total</u>
Council Accounts	\$ 25,000		60,007	85,007
Order of the Arrow	4,283		12,681	16,964
Hovnanian	43,561		273,582	317,143
Knights of Columbus	17,042		152,128	169,170
Less Thomas Scholarship	2,290		4,963	7,253
Campership	1,009			1,009
Justine Lowe	875		9,815	10,690
Nick Carusos	250			250
Naisby End	-		191,854	191,854
Scoutreach Program Camden	783			783
Arthur B Hafner	418		6,728	7,146
Woodbadge	289			289
Council Accounts	7,812	2,756	500	11,068
Rohrer Foundation	1,842			1,842
Rowan	232,433	202,825		435,258
Shooting Sports		17,277		17,277
Scout-A-Thon	650			650
Women of Achievement	925			925
Salute to Scouting	2,200			2,200
Vacation Raffle	1,100			1,100
Memorial Tributes	300			300
Total	<u>343,062</u>	<u>222,858</u>	<u>712,258</u>	<u>1,278,178</u>
<u>Endowment</u>				
Henry G. Naisby			44,558	44,558
Hovnanian Scholarship			50,000	50,000
Legacy Gardens (Bricks)			800	800
J. Lowe Memorial			15,000	15,000
Hunnick Lodge Fund			4,289	4,289
Arthur B. Hafner			10,000	10,000
Various other Contributions			2,229,299	2,229,299
Total	<u>-</u>	<u>-</u>	<u>2,353,946</u>	<u>2,353,946</u>
Total Net Assets With Donor Restrictions	<u>\$ 343,062</u>	<u>222,858</u>	<u>3,066,204</u>	<u>3,632,124</u>

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

<u>Specific Purpose</u>	2019			
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total</u>
Council Accounts	\$ 25,000		60,007	85,007
Order of the Arrow	4,283		12,681	16,964
Hovnanian	43,561		273,582	317,143
Knights of Columbus	17,042		152,128	169,170
Less Thomas Scholarship	2,290		4,963	7,253
Campership	1,009			1,009
Justine Lowe	875		9,815	10,690
Nick Carusos	250			250
Naisby End			191,854	191,854
Metzer				-
Scoutreach Program Camden	783			783
Arthur B Hafner	418		6,728	7,146
Woodbadge	289			289
Council Accounts	10,792		500	11,292
Rohrer Foundation	1,842			1,842
Rowan	307,433	52,825		360,258
Cape May DCAD	1,000			1,000
Memorial Tributes	300			300
Total	<u>417,167</u>	<u>52,825</u>	<u>712,258</u>	<u>1,182,250</u>
<u>Endowment</u>				
Henry G. Naisby			44,558	44,558
Hovnanian Scholarship			50,000	50,000
J. Lowe Memorial			15,000	15,000
Hunnickick Lodge Fund			4,289	4,289
Arthur B. Hafner			10,000	10,000
Various other Contributions			2,218,278	2,218,278
Total	<u>-</u>	<u>-</u>	<u>2,342,125</u>	<u>2,342,125</u>
Total Net Assets With Donor Restrictions	<u>\$ 417,167</u>	<u>52,825</u>	<u>3,054,383</u>	<u>3,524,375</u>

Net assets without donor restrictions for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	<u>\$ 22,815,916</u>	<u>22,837,911</u>
	<u>\$ 22,815,916</u>	<u>22,837,911</u>

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

Net assets released from net assets with donor restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Specific Purpose:		
Council Accounts	\$ 70,792	1,935
Rohrer Foundation	-	507
Rowan	75,000	71,930
Shooting Sports	4,473	-
Cape May DCAD	1,000	-
	<u>\$ 151,265</u>	<u>74,372</u>

**NOTE 16: ENDOWMENT FUND**

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.

**Interpretation of relevant law**

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

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Changes in the endowment net assets for the year ended December 31, 2020 and 2019:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment Fund net assets, December 31, 2019	\$ 17,852,390	3,054,383	20,906,773
Investment Return	837,146		837,146
Contributions	6,343	11,821	18,164
Transfers	(381,393)		(381,393)
Endowment Fund net assets, December 31, 2020	\$ 18,314,486	3,066,204	21,380,690
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment Fund net assets, December 31, 2018	\$ 14,468,848	2,950,041	17,418,889
Investment Return	3,901,201	104,342	4,005,543
Contributions	2,060		2,060
Transfers	(519,719)		(519,719)
Endowment Fund net assets, December 31, 2019	\$ 17,852,390	3,054,383	20,906,773

**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,

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2020 and 2019. 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.

**Return Objectives and Risk Parameters**

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor- restricted funds that the Council must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that it will earn a base return of 4.0 percent of the original principal, expressed in dollars, above the trailing three-year average of the Consumer Price Index. Asset allocations should be targeted to produce expected returns consistent with this target using long term historical returns of assets classes as a guide. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, 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 equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**NOTE 17: PAYCHECK PROTECTION PROGRAM**

On April 23, 2020, the Council received loan proceeds in the amount of \$236,398 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) provides loans to qualifying businesses for up to 2.5 times the average monthly payroll expenses of qualifying businesses. The loan is forgivable after 8 or 24 weeks if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness could be reduced if the borrower terminates employees, reduces salary levels, or uses more than 25% of the loan proceeds for "non-payroll" costs as defined by the United States Small Business Administration. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral period of six months. The Council intends to use the proceeds for purposes consistent with the PPP. While the Council currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, there can be no assurance that the loan will be forgiven, in whole, or in part.

The Council initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. The Council will recognized the \$236,398 of loan forgiveness as income for the year ended December 31, 2021.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

**NOTE 18: RECLASSIFICATION OF BALANCES**

Additionally, certain balances have been reclassified to conform with current year categories.

**NOTE 19: RESTATEMENT OF NET ASSETS**

Based on an analysis of their records, the Council adjusted the opening balance of the operating fund's net asset balance as of December 31, 2019.

Net Assets December 31, 2019	\$ 477,167
Restated for:	
Camp Corporation Distribution	<u>(60,000)</u>
Net Assets December 31, 2019 (As Restated)	<u><u>\$ 417,167</u></u>

During 2019, the Council received a contribution from the Burlington County Council, Boy Scout Camp Corporation. This contribution was subsequently eliminated when the financial statements were consolidated. The \$60,000 contribution was recognized as other income and was therefore incorrectly included in income and accounts receivable as of December 31, 2019.

**NOTE 20: SUBSEQUENT EVENTS**

The Council has evaluated subsequent events through July 12, 2021, the date which the financial statements were available, the following event was noted for disclosure.

The National Council and the local council have been named as a defendant in lawsuits alleging sexual abuse, including claims for compensatory and punitive damages. These claims are covered by the National Council, Boy Scouts of America's general liability insurance program ("GLIP"). Some of these claims arise out of conduct occurring on Council property and/or were committed by Council volunteers, and in some cases the Council is named as a co-defendant with the National Council.

The National Council provides the Council with a charter, program materials and support for administration as well as sponsoring certain benefit plans for Council employees. Since 1978 the National Council has operated a GLIP in which the Council participates. On February 18, 2020, the National Council filed for protection under chapter 11 of the United States Bankruptcy Code. The National Council continues to operate its business in the ordinary course and has received bankruptcy court approval to continue its relationship with the Councils including the benefit and insurance programs noted above. Neither the Council nor any other local council are currently parties to the bankruptcy proceeding. The National Council has sought to stay litigation against both the National Council and local councils and has proposed a plan of reorganization that would protect local councils from any further legal exposure for abuse claims arising prior to February 18, 2020.

**GARDEN STATE COUNCIL, INC.**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 and 2019**

As of June 2021, a negotiated global resolution is expected to require a contribution from local councils. The final aggregate number for all local councils is being negotiated in mediation. The Local Council Ad Hoc Committee, which is representing all local councils in the mediation process, is working to ensure that the global resolution includes the creation of a trust to compensate victims and that portions paid by local councils will provide them, and its charter partners, the benefit of a channeling injunction.

On March 22, 2021, the Council received the second draw loan proceeds in the amount of \$225,590 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) provides loans to qualifying businesses for up to 2.5 times the average monthly payroll expenses of qualifying businesses. The loan is forgivable after 8 or 24 weeks if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness could be reduced if the borrower terminates employees, reduces salary levels, or uses more than 25% of the loan proceeds for “non-payroll” costs as defined by the United States Small Business Administration. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with a deferral period of six months. The Council intends to use the proceeds for purposes consistent with the PPP. While the Council currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, there can be no assurance that the loan will be forgiven, in whole, or in part.

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## **SUPPLEMENTARY INFORMATION**

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**GARDEN STATE COUNCIL, INC**  
**(a nonprofit corporation)**  
**BOY SCOUTS OF AMERICA**  
**(INCLUDING CONSOLIDATED BOY SCOUT TRUST FUND**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31,**

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>								
Cash	\$ 533,220	1,059,070	487,477	149,325	8,368		1,029,065	1,208,395
Accounts receivable:								
Activities	38,053	70,343					38,053	70,343
Contributions receivable - net	45,258	16,911			1,159	1,060	46,417	17,971
Investments at fair value					8,143,089	7,835,679	8,143,089	7,835,679
Inventories - at cost	210,639	199,389					210,639	199,389
Interfund Loans	1,103	(28,470)	(2,103)	1,588	1,000	26,882	-	-
Prepaid expenses	77,351	67,474	633	1,028	192,802	192,802	77,984	68,502
Other Assets							192,802	192,802
Land, buildings and equipment,								
Less accumulated depreciation								
of \$3,255,618 and \$3,773,764			3,941,744	4,092,063			3,941,744	4,092,063
<b>Total Assets</b>	<b>905,624</b>	<b>1,384,717</b>	<b>4,427,751</b>	<b>4,244,004</b>	<b>8,346,418</b>	<b>8,056,423</b>	<b>13,679,793</b>	<b>13,685,144</b>
<b>LIABILITIES AND NET ASSETS</b>								
Accounts payable	27,523	61,248	4,917	43			32,440	61,291
Accrued Payroll	10,000						10,000	-
Other current liabilities	12,596	8,830					12,596	8,830
Custodian Accounts:								
Order of the Arrow	50,257	52,290					50,257	52,290
Other	211,070	293,372					211,070	293,372
Deferred income	59,582	84,326					59,582	84,326
Loans Payable	236,398						236,398	-
<b>Total Liabilities</b>	<b>607,426</b>	<b>500,066</b>	<b>4,917</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>612,343</b>	<b>500,109</b>
<b>Net Assets:</b>								
Net Assets Without Donor Restrictions	(44,864)	407,484	4,199,976	4,191,136	5,280,214	5,002,040	9,435,326	9,600,660
Net Assets With Donor Restrictions	343,062	477,167	222,858	52,825	3,066,204	3,054,383	3,632,124	3,584,375
<b>Total Net Assets</b>	<b>298,198</b>	<b>884,651</b>	<b>4,422,834</b>	<b>4,243,961</b>	<b>8,346,418</b>	<b>8,056,423</b>	<b>13,067,450</b>	<b>13,185,035</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 905,624</b>	<b>1,384,717</b>	<b>4,427,751</b>	<b>4,244,004</b>	<b>8,346,418</b>	<b>8,056,423</b>	<b>13,679,793</b>	<b>13,685,144</b>

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**(INCLUDING CONSOLIDATED BOY SCOUT TRUST FUND)**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31,**

	2020				2019			
	Operating Fund	Capital Fund	Endowment Fund	Total	Operating Fund	Capital Fund	Endowment Fund	Total
Changes in net assets without donor restrictions:								
Public Support and Revenue:								
Direct Contributions:								
Friends of Scouting - Gross	\$ 100,872			100,872	134,525			134,525
Less: Provision for Uncollectibles	(7,245)			(7,245)	(9,999)			(9,999)
Net Friends of Scouting	93,627			93,627	124,526			124,526
Contributions from individuals and organizations								
Foundations and Trusts	407,577		6,343	413,920	461,507	15,000	2,060	478,567
Special events - Gross	220,463			220,463	490,518			490,518
Less: Cost of net Benefits	(35,093)			(35,093)	(111,254)			(111,254)
Net Special events	185,370			185,370	379,264			379,264
Total direct contributions	686,574	-	6,343	692,917	965,297	15,000	2,060	982,357
Indirect Contributions:								
United Ways	6,609			6,609	7,181			7,181
Burlington County Council, Boy Scout Camp	250,317			250,317	245,833			245,833
Total indirect contributions	256,926	-	-	256,926	253,014	-	-	253,014
Other Revenues:								
Sale of supplies - Gross	234,042			234,042	453,319			453,319
Less: Cost of Goods Sold	(144,772)			(144,772)	(287,556)			(287,556)
Net Sales of Supplies	89,270			89,270	165,763			165,763
Product Sales	131,178			131,178	456,848			456,848
Less: Commissions	(50,057)			(50,057)	(107,641)			(107,641)
Less: Cost of Goods Sold	(31,908)			(31,908)	(96,343)			(96,343)
Net Sales of Products	49,213			49,213	252,864			252,864

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**(INCLUDING CONSOLIDATED BOY SCOUT TRUST FUND)**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31,**

	2020				2019			
	Operating Fund	Capital Fund	Endowment Fund	Total	Operating Fund	Capital Fund	Endowment Fund	Total
Camping Activities	\$ 41,388			41,388	428,402			428,402
Net realized gain/(loss) on investments	60,162			60,162	88,461			88,461
Net unrealized gain/(loss) on investments			2,454,337	2,454,337			97,506	97,506
Investment income/(expense)	286,869	12	(2,051,854)	(2,051,854)	164,410	18	1,140,495	1,140,495
Other	101,338	3,942	(102,422)	184,459	37,011	22,833	(22,315)	142,113
				105,280			-	59,844
Total other revenues	628,240	3,954	300,061	932,255	1,136,911	22,851	1,215,686	2,375,448
Net assets released from restriction	146,792	4473		151,265	74,747			74,747
Total public support and revenues	1,718,532	8,427	306,404	2,033,363	2,429,969	37,851	1,217,746	3,685,566
Expenses:								
Program services	1,256,882	146,795		1,403,677	1,639,132	145,676		1,784,808
Supporting Services								
Management and general	367,397	42,910		410,307	479,132	42,582		521,714
Fundraising	309,386	36,134		345,520	403,478	35,859		439,337
Total supporting services	676,783	79,044	-	755,827	882,610	78,441	-	961,051
Loss on the Disposal of Assets								-
Charter and national service fee	32,980	6,213		39,193	32,623			32,623
Total expenses	1,966,645	232,052	-	2,198,697	2,554,365	224,117	-	2,778,482
Changes in net assets without donor restrictions	(248,113)	(223,625)	306,404	(165,334)	(124,396)	(186,266)	1,217,746	907,084

See accompanying auditor's report

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**(INCLUDING CONSOLIDATED BOY SCOUT TRUST FUND)**  
**STATEMENTS OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31,**

	2020				2019			
	Operating Fund	Capital Fund	Endowment Fund	Total	Operating Fund	Capital Fund	Endowment Fund	Total
Changes in net assets with donor restrictions:								
Public Support and Revenue:								
Direct Contributions:								
Friends of Scouting - Gross	\$ 7,605			7,605	1,000			1,000
Less: Provision for Uncollectibles				-				-
Net Friends of Scouting	7,605			7,605	1,000			1,000
Contributions from individuals and organizations:								
Indirect Contributions United Way	207			207				-
Capital Contribution		24,506		24,506				-
Contributions from individuals and organizations		150,000		150,000	171,893			171,893
Other Direct Contributions			11,821	11,821				-
Associated Organizations				-	60,000			60,000
Special Events	4,875			4,875				-
Net unrealized gain/(loss) on investments				-			104,342	104,342
Investment Income/(expense)				-	12,209			12,209
Net Assets released from restrictions	(146,792)	(4,473)		(151,265)	(74,372)			(74,372)
Changes in net assets with donor restrictions:	(134,105)	170,033	11,821	47,749	170,730	-	104,342	275,072
Changes in total net assets	(382,218)	(53,592)	318,225	(117,585)	46,334	(186,266)	1,322,088	1,182,156
Total net assets beginning of the year	884,651	4,243,961	8,056,423	13,185,035	601,805	4,424,857	6,976,217	12,002,879
Transfers	(204,235)	232,465	(28,230)	-	236,512	5,370	(241,882)	-
Total net assets, end of year	298,198	4,422,834	8,346,418	13,067,450	884,651	4,243,961	8,056,423	13,185,035
Analysis of ending net assets:								
Without Donor Restrictions	(44,864)	4,199,976	5,280,214	9,435,326	407,484	4,191,136	5,002,040	9,600,660
With Donor Restrictions	343,062	222,858	3,066,204	3,632,124	477,167	52,825	3,054,383	3,584,375
Total net assets, end of year	\$ 298,198	4,422,834	8,346,418	13,067,450	884,651	4,243,961	8,056,423	13,185,035

See accompanying auditor's report

**SARGEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**CONSOLIDATED BOY SCOUT T**  
**MENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31**

	2020				2019			
	Program Services	Management & General	Fund Raising	Total Support Total	Program Services	Management & General	Fund Raising	Total Support Services
Professional Salaries	\$ 350,656	102,499	86,315	188,814	539,470	105,447	88,797	194,244
Staff Salaries	254,420	74,369	62,626	136,995	391,415	87,771	73,912	161,683
Payroll Taxes	54,599	15,960	13,440	29,400	83,999	15,009	12,639	27,648
Employee Benefits	123,976	36,239	30,517	66,756	190,732	40,172	33,829	74,001
Employment Related Expenses				-		7,835	6,598	14,433
Total salaries and related expenses	783,651	229,067	192,898	421,965	1,205,616	256,234	215,775	472,009
Travel Expense	20,307	5,936	4,999	10,935	31,242	10,940	9,212	20,152
Occupancy Expense								
Utilities	71,333	20,851	17,559	38,410	109,743	28,088	23,653	51,741
Real Estate Taxes	18,093	5,289	4,454	9,743	27,836	7,036	5,925	12,961
Fire and Liability Insurance	54,400	15,902	13,391	29,293	83,693	15,217	12,815	28,032
Repairs and Maintenance	36,797	10,756	9,058	19,814	56,611	22,595	19,027	41,622
Operating Supplies	21,516	6,289	5,296	11,585	33,101	15,080	12,699	27,779
Postage	7,900	2,309	1,945	4,254	12,154	3,269	2,753	6,022
Telephone	26,597	7,775	6,547	14,322	40,919	7,675	6,463	14,138
Conference Expense	5,925	1,732	1,459	3,191	9,116	6,933	5,838	12,771
Recognition awards	21,614	6,318	5,320	11,638	33,252	9,275	7,810	17,085
Specific Assistance to Individuals				-		8,302	2,044	4,471
Professional Fees	88,713	25,932	21,837	47,769	136,482	29,590	24,918	54,508
Activity Expense	6,168	1,803	1,518	3,321	9,489	27,666	23,298	50,964
Equipment Expense	19,896	5,816	4,897	10,713	30,609	15,266	3,758	8,220
Printing and Publications	1,900	555	468	1,023	2,923	4,635	1,141	2,496
Other Expense:								
Rental Property Expenses	30,997	9,061	7,630	16,691	47,688	19,008	4,679	10,235
Insurance	49,024	14,330	12,067	26,397	75,421	58,548	14,412	31,526
Miscellaneous	21,287	6,222	5,240	11,462	32,749	35,528	8,745	19,130
Bad Debt Expense				-		11,771	2,897	6,338
Camping Expense	1,761	515	433	948	2,709	1,197	295	645
Total expense before depreciation	1,287,879	376,458	317,016	693,474	1,981,353	1,658,140	408,157	892,845
Depreciation	115,798	33,849	28,504	62,353	178,151	126,668	31,180	68,206
Total Functional Expenses	\$ 1,403,677	410,307	345,520	755,827	2,159,504	1,784,808	439,337	961,051

See accompanying auditor's report

**GARDEN STATE COUNCIL, INC.**  
(a nonprofit corporation)  
**BOY SCOUTS OF AMERICA**  
**(INCLUDING CONSOLIDATED BOY SCOUT TRUST FUND)**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31,**

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:								
Change in net assets	\$ (382,218)	46,334	(53,592)	(186,266)	318,225	1,322,088	(117,585)	1,182,156
Adjustments to reconcile change in net assets to net cash used by operating activities:								
Depreciation			178,151	194,874			178,151	194,874
Loss on disposal of assets			6,213				6,213	-
Interest and Dividends from Investments								
(Gain)/Loss on sale of investments					102,422	22,315	102,422	22,315
Unrealized (Gain)/Loss on investments					(2,454,337)	(97,506)	(2,454,337)	(97,506)
(Increase)/Decrease in accounts receivable					2,051,854	(1,244,837)	2,051,854	(1,244,837)
Decrease/(Increase) in contributions receivable	32,290	(51,536)		15,836			32,290	(35,700)
Decrease/(Increase) in inventories	(28,347)	13,714			(99)		(28,446)	13,714
(Increase)/Decrease in interfund loans	(11,250)	(3,487)					(11,250)	(3,487)
(Increase)/Decrease in prepaid expenses	(29,573)	27,470	3,691	(1,588)	25,882	(25,882)	-	-
(Increase)/Decrease in other assets	(9,877)	(41,940)	395	(672)			(9,482)	(42,612)
Increase/(Decrease) in accounts payable	(33,725)	(12,824)	4,874	(12,996)			(28,851)	(25,820)
Increase/(Decrease) in accrued payroll	10,000						10,000	-
Increase/(Decrease) in other current liabilities	3,766	(17,418)					3,766	(17,418)
Increase/(Decrease) in custodian accounts	(84,335)	45,251					(84,335)	45,251
Increase/(Decrease) in deferred income	(24,744)	73,496					(24,744)	73,496
Increase/(Decrease) in loans payable	236,398						236,398	-
Interfund Transfer	(204,235)	236,512	232,465	5,370	(28,230)	(241,882)	-	-
Net cash provided/(used) by operating activities	(525,850)	315,572	372,197	14,558	15,717	(207,100)	(137,936)	123,030
CASH FLOWS FROM INVESTING ACTIVITIES:								
Proceeds from sale of investments					1,453,063	1,453,063	1,453,063	1,453,063
Purchase of investments					(1,460,412)	(1,245,963)	(1,460,412)	(1,245,963)
Capital expenditures			(34,045)	(91,265)			(34,045)	(91,265)
Net cash provided/(used) in investing activities	-	-	(34,045)	(91,265)	(7,349)	207,100	(41,394)	115,835
Net increase/(decrease) in cash and cash equivalents	(525,850)	315,572	338,152	(76,707)	8,368	-	(179,330)	238,865
Cash and cash equivalents at beginning of year	1,059,070	743,498	149,325	226,032	-	-	1,208,395	969,530
Cash and cash equivalents at end of year	\$ 533,220	1,059,070	487,477	149,325	8,368	-	1,029,065	1,208,395

See accompanying auditor's report