

**MUNGER & COMPANY, CPAs**

---

1818 Avocado Road  
Oceanside, CA 92054  
(760) 730-8020  
www.mungercpa.com

**San Diego-Imperial Council,  
Boy Scouts of America**  
Audited Financial Statements  
December 31, 2024

**Contents**

**Page No.**

INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets – Without Donor Restrictions	4
Statement of Activities and Changes in Net Assets – With Donor Restrictions	5
Statement of Changes in Net Assets - Summary	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9-31

## MUNGER & COMPANY, CPAs

---

1818 Avocado Road  
Oceanside, CA 92054  
(760) 730-8020  
www.mungercpa.com

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**San Diego-Imperial Council, Boy Scouts of America**

#### **Opinion**

We have audited the accompanying financial statements of San Diego-Imperial Council, Boy Scouts of America (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Diego-Imperial Council, Boy Scouts of America as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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


- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Diego-Imperial Council, Boy Scouts of America's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego-Imperial Council, Boy Scouts of America's ability to continue as a going concern for a reasonable period of time.

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

## **Report on Summarized Comparative Information**

We have previously audited San Diego-Imperial Council, Boy Scouts of America's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

October 31, 2025

  
Munger & Company, CPAs

**San Diego - Imperial Council, Boy Scouts of America**  
**Statement of Financial Position**

December 31, 2024

(With Comparative Totals for December 31, 2023)

	Operating Fund			Capital Fund			Endowment Fund			Total All Funds		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>ASSETS</b>												
Cash & Cash Equivalents	\$ 795,948	\$ 2,884,146	\$	\$	\$ 2,014,855	\$ 12,982	\$ 2,810,803	\$ 2,897,128				
Accounts Receivable, Net	82,136	300,638					82,136	300,638				
Promises to Give, Net	23,204	238,125					23,204	238,125				
Inventories	14,463	5,699					14,463	5,699				
Prepaid Expenses	68,959	15,456					68,959	15,456				
Total Current Assets	984,710	3,444,064	-	-	2,014,855	12,982	2,999,565	3,457,046				
Land, Buildings & Equipment (net)			2,860,903	2,616,913			2,860,903	2,616,913				
Right of Use Asset - Operating Lease			-	10,655			-	10,655				
Long Term Investments					3,943,741	4,127,108	3,943,741	4,127,108				
Total Long Term Assets	-	-	2,860,903	2,627,568	3,943,741	4,127,108	6,804,644	6,754,676				
Total Assets	\$ 984,710	\$ 3,444,064	\$ 2,860,903	\$ 2,627,568	\$ 5,958,596	\$ 4,140,090	\$ 9,804,209	\$ 10,211,722				
<b>LIABILITIES &amp; NET ASSETS</b>												
<b>Liabilities</b>												
Accounts Payable	\$ 111,056	\$ 22,692	\$ 18,908	\$	\$	\$	\$ 129,964	\$ 22,692				
Accrued Expenses	85,578	56,128					85,578	56,128				
Custodial Accounts	42,469	149,594			1,800	60,000	44,269	209,594				
Operating Lease Liability - Short Term				8,471				8,471				
Deferred Activity Income	13,703	65,303					13,703	65,303				
Other Current Liabilities	3,887	173	1,836				5,723	173				
Total Current Liabilities	256,693	293,890	20,744	8,471	1,800	60,000	279,237	362,361				
Operating Lease Liability - Long Term				2,184				2,184				
Custodial Accounts - Long Term					227,159	404,324	227,159	404,324				
Total Long-term Liabilities	-	-	-	2,184	227,159	404,324	227,159	406,508				
Total Liabilities	\$ 256,693	\$ 293,890	\$ 20,744	\$ 10,655	\$ 228,959	\$ 464,324	\$ 506,396	\$ 768,869				
<b>Net Assets</b>												
Without Donor Restrictions	206,986	2,655,443	2,840,159	2,616,913	2,188,855	-	5,236,000	5,272,356				
With Donor Restrictions	521,031	494,731	-	-	3,540,782	3,675,766	4,061,813	4,170,497				
Total Net Assets	728,017	3,150,174	2,840,159	2,616,913	5,729,637	3,675,766	9,297,813	9,442,853				
Total Liabilities & Net Assets	\$ 984,710	\$ 3,444,064	\$ 2,860,903	\$ 2,627,568	\$ 5,958,596	\$ 4,140,090	\$ 9,804,209	\$ 10,211,722				

The Accompanying Notes are an Integral Part of the Financial Statements

**San Diego - Imperial Council, Boy Scouts of America**  
**Statement of Activities and Changes in Net Assets - Without Donor Restrictions**  
**For the Year Ended December 31, 2024**  
(With Comparative Totals for December 31, 2023)

**Changes in Net Assets Without Donor Restrictions**

	Operating Fund			Capital Fund			Endowment Fund			Total All Funds		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>SUPPORT AND REVENUE</b>												
<b>Direct Support</b>												
Friends of Scouting - Gross	\$ 158,161	\$ 185,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,161	\$ 185,476	\$ 0	\$ 0
Less Provision for Uncollectable	0	0	-	-	-	-	-	-	0	0	0	0
Net Friends of Scouting	158,161	185,476	-	-	-	-	-	-	158,161	185,476	0	0
Project Sales	6,581	7,571	-	-	-	-	-	-	6,581	7,571	-	-
Special Events - Gross	606,969	583,665	-	-	-	-	-	-	606,969	583,665	-	-
Less Cost of Direct Benefit	(122,533)	(257,198)	-	-	-	-	-	-	(122,533)	(257,198)	-	-
Net Special Events	484,436	326,467	-	-	-	-	-	-	484,436	326,467	-	-
Legacies and Bequests	171,136	315,553	-	-	-	-	-	-	171,136	315,553	-	-
Foundations and Trusts	189,224	184,233	-	-	-	-	-	-	189,224	184,233	-	-
Other Direct Support	70,299	40,316	-	-	-	-	-	-	70,299	40,316	-	-
Released from Restrictions	86,165	18,626	-	-	-	-	-	-	86,165	18,626	-	-
<b>Total Direct Support</b>	<b>1,166,002</b>	<b>1,078,242</b>	<b>-</b>	<b>456,134</b>	<b>-</b>	<b>456,134</b>	<b>-</b>	<b>-</b>	<b>1,166,002</b>	<b>1,078,242</b>	<b>-</b>	<b>-</b>
<b>Indirect Support</b>												
United Way	5,314	5,000	-	-	-	-	-	-	5,314	5,000	-	-
<b>Total Indirect Support</b>	<b>5,314</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,314</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
<b>Revenues</b>												
Sale of Supplies - Gross	9,675	5,702	-	-	-	-	-	-	9,675	5,702	-	-
Less of Cost of Goods Sold	0	0	-	-	-	-	-	-	0	0	-	-
Net Sale of Supplies	9,675	5,702	-	-	-	-	-	-	9,675	5,702	-	-
Product Sales - Gross	688,271	929,552	-	-	-	-	-	-	688,271	929,552	-	-
Less Cost of Sales Sold	(215,655)	(275,757)	-	-	-	-	-	-	(215,655)	(275,757)	-	-
Less Commissions Paid to Units	(256,572)	(291,929)	-	-	-	-	-	-	(256,572)	(291,929)	-	-
Net Product Sales	216,044	361,866	-	-	-	-	-	-	216,044	361,866	-	-
Investment Income	61,193	3,674	-	-	-	-	-	-	61,193	3,674	-	-
Gain on Sale of Land	1,142,758	763,944	-	-	-	-	-	-	1,142,758	763,944	-	-
Camping Revenue, net of expense of \$0	172,693	388,687	-	-	-	-	-	-	172,693	388,687	-	-
Activity Revenue	335,999	449,032	-	-	-	-	-	-	335,999	449,032	-	-
Other Revenue	1,938,362	1,972,905	-	-	-	-	-	-	1,938,362	1,972,905	-	-
<b>Total Revenue</b>	<b>3,109,678</b>	<b>3,056,147</b>	<b>-</b>	<b>456,134</b>	<b>-</b>	<b>456,134</b>	<b>-</b>	<b>-</b>	<b>3,383,202</b>	<b>3,383,202</b>	<b>-</b>	<b>-</b>
<b>TOTAL SUPPORT &amp; REVENUE</b>	<b>\$ 3,109,678</b>	<b>\$ 3,056,147</b>	<b>\$ -</b>	<b>\$ 456,134</b>	<b>\$ -</b>	<b>\$ 456,134</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,383,202</b>	<b>\$ 3,383,202</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENSES</b>												
<b>Program Services</b>												
Support Services	2,705,561	2,444,088	274,676	314,877	-	-	-	-	2,980,237	2,758,965	-	-
Management & General	215,060	175,455	2,653	4,873	-	-	-	-	217,713	180,328	-	-
Fundraising	287,417	229,192	2,948	3,987	-	-	-	-	290,365	233,179	-	-
<b>Total Supporting Services</b>	<b>502,477</b>	<b>404,647</b>	<b>5,601</b>	<b>8,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>508,078</b>	<b>413,507</b>	<b>-</b>	<b>-</b>
<b>Charter and National Service Fee</b>	<b>69,937</b>	<b>55,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,937</b>	<b>55,200</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>3,277,975</b>	<b>2,903,935</b>	<b>280,277</b>	<b>323,737</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,558,252</b>	<b>3,227,672</b>	<b>-</b>	<b>-</b>
<b>Changes in Net Assets Without Donor Restrictions</b>	<b>\$ (168,297)</b>	<b>\$ 152,212</b>	<b>\$ (280,277)</b>	<b>\$ 132,397</b>	<b>\$ 273,524</b>	<b>\$ 2,172,392</b>	<b>\$ 273,524</b>	<b>\$ -</b>	<b>\$ (175,050)</b>	<b>\$ 2,457,001</b>	<b>\$ -</b>	<b>\$ -</b>

The Accompanying Notes are an Integral Part of the Financial Statements

**San Diego - Imperial Council, Boy Scouts of America**  
**Statement of Activities and Changes in Net Assets - With Donor Restrictions**  
**For the Year Ended December 31, 2024**  
(With Comparative Totals for December 31, 2023)

	<b>Operating Fund</b>		<b>Capital Fund</b>		<b>Endowment Fund</b>		<b>Total All Funds</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Changes in Net Assets With Donor Restrictions</b>								
<b>Direct Support</b>								
Capital Campaign	\$	\$ 250,200	\$	\$	\$	\$	\$	\$ -
Legacies and Bequests	59,492	137,147					59,492	137,147
Foundations and Trusts	52,973	9,883			1,000	1,000	53,973	10,883
Other Direct Support	112,465	397,230			1,000	1,000	113,465	398,230
<b>Total Direct Support</b>								
<b>Revenue</b>								
Change in Value of Split-interest Agreement			2,710		(10,532)		2,710	(10,532)
<b>Total Revenue</b>			2,710		(10,532)		2,710	(10,532)
<b>Net Assets Released from Restrictions</b>								
Released from Restrictions	(86,165)	(18,626)		(456,134)			(86,165)	(474,760)
<b>Total Reclassification of Net Assets</b>	(86,165)	(18,626)		(456,134)			(86,165)	(474,760)
<b>Change in Net Assets With Donor Restrictions</b>	<b>\$ 26,300</b>	<b>\$ 378,604</b>	<b>\$ -</b>	<b>\$ (456,134)</b>	<b>\$ 3,710</b>	<b>\$ (9,532)</b>	<b>\$ 30,010</b>	<b>\$ (87,062)</b>

**San Diego - Imperial Council, Boy Scouts of America**  
**Statement of Change in Net Assets - Summary**  
**For the Year Ended December 31, 2024**  
(With Comparative Totals for December 31, 2023)

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total All Funds</u>	
				<u>2024</u>	<u>2023</u>
<b>NET ASSETS - BEGINNING</b>					
Without Donor Restrictions	\$ 2,655,443	\$ 2,616,913	\$ 0	\$ 5,272,356	\$ 4,275,583
With Donor Restrictions	494,731	0	3,675,766	4,170,497	2,508,549
<b>Total Net Assets, Beginning of Year</b>	<b>3,150,174</b>	<b>2,616,913</b>	<b>3,675,766</b>	<b>9,442,853</b>	<b>6,784,132</b>
<b>Changes in Net Assets Without Donor Restrictions</b>					
Change in Net Assets With Donor Restrictions	(168,297)	(280,277)	273,524	(175,050)	2,457,001
<b>Net Change</b>	<u>(141,997)</u>	<u>(280,277)</u>	<u>277,234</u>	<u>(145,040)</u>	<u>2,369,939</u>
<b>Transfers - Without Donor Restrictions</b>					
Adjustments to Net Assets With Donor Restrictions	(2,280,160)	503,523	1,915,331	138,694	-
Adjustments to Net Assets Without Donor Restrictions			(138,694)	(138,694)	1,749,010
<b>Total Net Change in Net Assets</b>	<u>(2,422,157)</u>	<u>223,246</u>	<u>2,053,871</u>	<u>(145,040)</u>	<u>2,658,721</u>
<b>NET ASSETS - END</b>					
Without Donor Restrictions	206,986	2,840,159	2,188,855	5,236,000	5,272,356
With Donor Restrictions	521,031	0	3,540,782	4,061,813	4,170,497
<b>Total Net Assets, End of Year</b>	<u>\$ 728,017</u>	<u>\$ 2,840,159</u>	<u>\$ 5,729,637</u>	<u>\$ 9,297,813</u>	<u>\$ 9,442,853</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**San Diego - Imperial Council, Boy Scouts of America**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2024**  
(With Comparative Totals for December 31, 2023)

	Program Services	Supporting Services		2024 Total	2023 Total
		Mgt & Gen	Fundraising		
<b>Employee Compensation</b>					
Salaries	\$ 979,166	\$ 96,749	\$ 87,074	\$ 1,162,989	\$ 996,033
Employee Benefits	110,289	13,525	12,163	135,977	141,901
Payroll Taxes and Related Expenses	113,447	13,309	11,988	138,744	154,997
<b>Total Employee Compensation</b>	<u>1,202,902</u>	<u>123,583</u>	<u>111,225</u>	<u>1,437,710</u>	<u>1,292,931</u>
<b>Other Expenses</b>					
Professional fees	161,604	36,700	13,765	212,069	236,062
Supplies	540,024	6,073	82,371	628,468	308,103
Telephone	14,417	1,780	1,913	18,110	15,031
Postage and shipping	1,887	226	203	2,316	4,743
Occupancy	288,767	4,546	4,091	297,404	335,439
Rental and maintenance of equipment	89,197	5,863	10,748	105,808	102,343
Printing and publication	36,858	3,769	26,871	67,498	22,099
Vehicle and travel	73,728	6,449	6,422	86,599	133,313
Conferences and meetings	19,961	1,420	1,216	22,597	96,759
Specific assistance to individuals	24,222			24,222	2,608
Recognition and awards	61,817	1,889	3,366	67,072	72,022
Insurance	63,629	7,723	6,951	78,303	124,273
Other	128,916	15,812	19,531	164,259	177,316
<b>Total Other Expense</b>	<u>1,505,027</u>	<u>92,250</u>	<u>177,448</u>	<u>1,774,725</u>	<u>1,630,111</u>
Depreciation of Buildings/Equipment	272,308	1,880	1,692	275,880	249,430
<b>Total Functional Expenses</b>	<u>\$ 2,980,237</u>	<u>\$ 217,713</u>	<u>\$ 290,365</u>	<u>\$ 3,488,315</u>	<u>\$ 3,172,472</u>

The Accompanying Notes are an Integral Part of the Financial Statements

**San Diego - Imperial Council, Boy Scouts of America**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**  
(With Comparative Totals for December 31, 2023)

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total All Funds</u>
	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>				
<b>Total Net Change in Net Assets</b>	\$ (2,422,157) \$	223,246 \$	2,053,871 \$	\$ (145,040) \$ 2,658,721
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:				
Depreciation		275,880		275,880 249,430
Changes in operating assets and liabilities:				
Accounts Receivable, Net	218,502			218,502 (244,975)
Promises to Give, Net	214,921	0		214,921 (88,414)
Inventories	(8,764)			(8,764) 54,085
Deferred Activity Expense	(53,503)			(53,503) 0
Prepaid Expenses	88,364			88,364 67,668
Accounts Payable	29,450	18,908		107,272 (58,339)
Accrued Expenses	(107,125)		(58,200)	29,450 (26,341)
Custodial Accounts	(51,600)			(165,325) (134,635)
Deferred Activity Income	3,714			(51,600) (62,554)
Other Current Liabilities				3,714 (32,512)
<b>Net Cash Provided (Used) by Operating</b>	<u>(2,088,198)</u>	<u>518,034</u>	<u>1,995,671</u>	<u>425,507</u> 2,418,288
<b>Cash Flows from Financing Activities:</b>				
Custodial Accounts			(177,165)	(177,165) 17,653
Borrowing on Capital Assets		(2,185)		(2,185) 667
Payments on Capital Asset Borrowings		(8,469)		(8,469) (19,388)
<b>Net Cash Provided (Used) by Financing</b>	<u>0</u>	<u>(10,654)</u>	<u>(177,165)</u>	<u>(187,819)</u> (1,068)
<b>Cash Flows from Investing Activities:</b>				
Net Investment Activity	0		183,367	183,367 (1,527,303)
Cash Received from Sale of Fixed Assets				0 -
Purchase of Fixed Assets		(507,380)		(507,380) (311,450)
<b>Net Cash Provided (Used) by Investing</b>	<u>-</u>	<u>(507,380)</u>	<u>183,367</u>	<u>(324,013)</u> (1,838,753)
<b>Net Change in Cash</b>	<u>(2,088,198)</u>	<u>0</u>	<u>2,001,873</u>	<u>(86,325)</u> 578,467
<b>Beginning Cash and Cash Equivalents</b>	<u>2,884,146</u>	<u>0</u>	<u>12,982</u>	<u>2,897,128</u> 2,318,661
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 795,948</u>	<u>\$ 0</u>	<u>\$ 2,014,855</u>	<u>\$ 2,810,803</u> \$ 2,897,128

## San Diego-Imperial Council, Boy Scouts of America

Notes to Financial Statements

December 31, 2024

### Note 1. Organization and Nature of Activities

The San Diego-Imperial Council, Boy Scouts of America (the Council), operates in California, including the counties of San Diego and Imperial. The Council's website address is [www.sdicsa.org](http://www.sdicsa.org). The Council has four camping facilities located within its service area. The Council also maintains control of a trust fund with a corporate trustee, which was established for the benefit of the Council. The Council is an independent 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 Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting programs of promoting the ability of boys and girls, and young men and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America. In addition to support for organizational and programmatic Scouting activities, the National Council of the Boy Scouts of America (the "National Council") provides components of the Council's employee benefit plans and liability insurance as well as components of the Council's technology, software, and other items. The Council delivered Scouting to 6,507 youth members in 2022. Scouting programs include the following:

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.

Sea Scouts - For over 100 years Sea Scouting has promoted better citizenship and improved members' boating skills through instruction and practice in water safety, boating skills, outdoor, social, service experiences, and knowledge of our maritime heritage.

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.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 1. Organization and Nature of Activities (continued)**

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. In February 2019, using the same curriculum as the former "Boy Scout" program, Scouts BSA launched its new program enabling all eligible youth ages 11-17 to earn the Eagle Scout rank. This unique approach allows the organization to maintain the integrity of the single-gender model while also meeting the needs of today's families.

**Note 2. Summary of Significant Accounting Policies**

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

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

**Prior Year Summarized Comparative Information**

The financial statements and certain notes include certain prior year summarized comparative information in total, but not by fund balance. Such information does not always include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Accordingly, such information should be read in conjunction with the Council’s financial statements as of and for the year ended December 31, 2023, from which the summarized comparative information was derived.

**Use of Estimates**

The preparation of 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 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.

**Restricted Cash**

At December 31, 2024 and 2023, restricted cash consists of cash received from donor contributions restricted for capital projects. The funds are placed into a separate bank account and as payments are made for the capital projects, operating funds are reimbursed through restricted cash. Fund 2 restricted cash totaled \$0 and \$0, respectively, for the years ended December 31, 2024, and 2023.

**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**

Effective January 1, 2023, the Organization adopted the provisions of FASB ASC Topic 326, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13). This update establishes the current expected credit loss (CECL) model established by ASU 2016-13, which requires the immediate recognition of estimated expected credit losses over the life of a financial instrument, including trade receivables, net investments in leases (for lessors with sales-type or direct financing leases), and certain off-balance sheet credit exposures. The estimate of expected credit losses considers historical information as well as current and future economic conditions and events. The Organization adopted this standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

**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.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

**Inventories**

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

**Land, Buildings, Equipment, Construction in Process and Related Depreciation**

Purchased property and equipment are stated at cost. Maintenance and repairs are charged to operations when incurred. Betterments and renewals of \$2,000 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.

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	25 – 40 years
Buildings and leasehold improvements	25 – 40 years
Furniture, fixtures and equipment	5 – 10 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.

**Investments**

Investments with readily determinable fair values are measured at fair value in the statement of financial position. The fair value of investments in the BSA Commingled Fund have been calculated using the net asset value (NAV) of the Council's ownership in the partners' capital. Interest, dividends, realized and unrealized gains and losses on investments, net of fees, are recorded as investment return in the statement of activities and changes in net assets. Realized gains and losses are determined on a specific identification basis. Realized and unrealized gains and losses, interest, and dividends on investments are recorded as net assets without donor restriction unless such amounts are restricted by the donor or by law. Investments received as gifts are recorded at the estimated fair value at the date of the gift. Investments are classified based on their original maturities. Investments with original maturities of less than 12 months are classified as short-term investments.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

**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, 2024, and 2023.

**Revenue Recognition**

**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 statement of activities and changes in net assets for the years ending December 31, 2024, and 2023:

**Trading Post sales** - The Council operates Trading Posts at its summer camps, which sell Scouting-related merchandise on a retail basis to customers. The performance obligation is the delivery of the 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, 2024, and 2023.

**Product sales** - To help Scout packs and troops raise the money they need to fund programs and activities throughout the year, the Council participates in the Trail's End Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The Scout packs and troops earn a commission of 35% on each sale they make, which may be used to offset the price of the popcorn they purchase from the Council. The popcorn sale also helps the Council raise money in support of its programs. Popcorn sales to Scout units start in the fall of each year, with the units placing their orders online through the Trail's End website. The price the Scout unit pays for the popcorn is established by the Council, and each item is individually priced, so no allocation of the transaction price is required. Many BSA units are allowed to purchase popcorn "on account" with payment due at a later date. Per FASB ASU 2014-09, the Council is required to assess the probability of collecting these accounts receivable in order to determine whether there is a substantive transaction between the council and the unit. In making this collectability assessment, the Council exercises judgment and considers all facts and circumstances, including its knowledge of the customer. The Council uses the Trail's End website to track and manage unit accounts receivable. With popcorn sales, the performance obligation is delivery of the product, which is fulfilled by the Council at predetermined times and locations. Revenue recognition occurs when the product has been delivered.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

The Council presents separately in its statements of activities and changes in net assets gross revenues from popcorn sales, cost of goods sold, and unit commissions (retained by or paid to the unit). Scout units have the right to return to the Council any unsold product, subject to a return-by date of October 31, 2024. As of December 31, 2024, and 2023, 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 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 statement 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 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 and is recognized on a monthly basis as earned.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

**Accounts Receivable**

An allowance for doubtful accounts for estimated losses that result from the failure or inability of customers to make required payments is considered. In addition, the additional method and assumptions are not deemed to be more than zero for an expected loss. When determining the allowance, the Organization considers the probability of recoverability of accounts receivable based on past experience, taking into account current collection trends as well as general economic factors. Credit risks are assessed based on historical write-offs, net of recoveries, as well as an analysis of the aged accounts receivable balances with allowances generally increasing as the receivable ages if that receivable expected loss is deemed more than zero. At that time, accounts receivable would be reserved with an allowance for doubtful accounts. The analysis of receivables is performed throughout the year. For the year ended December 31, 2024 and 2023, management determined that an allowance was not necessary based on the factors above. As a result, the allowance for uncollectable accounts was \$0 as of December 31, 2024 and 2023.

**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, 2024, and 2023, contributions receivable was approximately \$23,000 and \$238,000.

**Functional Expenses**

The costs of providing the Scouting program and supporting services have been summarized on the statement of activities and changes in net assets on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the Scout executive's, accounting, information technology personnel, and payroll taxes. The basis of allocation of these expenses is the result of a time study of staff performed every three years. The percentage of time allocated to each of the programs and the supporting functions is based on the average of the results of three separate studies and is applied to the expenses that are allocated. In accordance with the policy of the National Council of the Boy Scouts of America (the "National Council"), the payment of the charter fee to the National Council is not allocated as a functional expense. The financial statements report expenses by function in the Statement of Functional Expenses.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

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

**Advertising Costs**

Advertising costs are expensed when incurred.

**Custodial Accounts**

Custodial accounts represent amounts held by the Council as custodian for a trust for which they are trustee, 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. From time to time, transactions occur wherein certain funds deposited in the Custodial Accounts are properly funds of the Council. In such instances, after account reconciliation, those funds are transferred to the Council's operating account.

**Income Taxes**

The Council is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Council is subject to federal income tax on any unrelated business taxable income. The Council evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. No uncertain tax positions were identified by the Council as of December 31, 2024, and 2023.

The Council's policy is to classify income tax penalties and interest as interest expense in its financial statements. During the years ended December 31, 2024 and 2023, respectively, the Council incurred no penalties and interest. The Council's Federal Return of Organizations Exempt from Income Tax (Forms 990) for 2022, 2023 and 2024 are subject to examination by the IRS, generally for the three years after they were filed. The Council's CA Exempt Organization Annual Information Returns (Forms 199 and RRF-1) for 2021, 2022, 2023, and 2024 are subject to examination by CA, generally for the four years after they were filed. As of the date of this report, the Council's 2023 returns were previously filed.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

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

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 2. Summary of Significant Accounting Policies, (continued)**

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.

Recently Issued Accounting Standards

During 2022, the Council adopted Leases (Topic 842) Discount Rate for Lessees That Are Not Public Business Entities (ASU-2021-09)— Topic 842 currently provides lessees that are not public business entities with a practical expedient that allows them to elect, as an accounting policy, to use a risk-free rate as the discount rate for all leases. The amendments in this Update allow those lessees to make the risk-free rate election by class of underlying asset, rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election. Entities, including local councils, that have not yet adopted Topic 842 as of November 11, 2021, are required to adopt the amendments in this Update at the same time that they adopt Topic 842.

During a prior year, the Council adopted Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), Effective Dates for Certain Entities (ASU 2021-05). 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, 2021, the FASB issued ASU No. 2021-05, 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, 2020, respectively, for certain entities that had not issued their financial statements (or made them available for issuance) as of June 3, 2021. The Council adopted FASB ASC 606 with no effect on its net assets.

During 2021, the Council adopted Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07)— Effective 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.

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 3. 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:

	<b>2024</b>	<b>2023</b>
Cash—Operating Fund	\$ 795,947	\$ 2,884,146
Contributions receivable—Operating Fund	23,204	238,125
Accounts receivable—Operating Fund	82,136	300,638
Total financial assets as of year end	901,287	3,422,909
Appropriation from quasi-endowment for general expenditure in subsequent year	-	-
<b>Total financial assets available to meet general expenditures within the next 12 months</b>	<b>\$ 901,287</b>	<b>\$ 3,422,909</b>

The Council’s endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

As part of the Council’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Council invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Council has a quasi-endowment established. Although the Council does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary. However, donor-restricted endowment contains investments with lock-up provisions that would reduce the total investments that could be made available (see Note 14 for disclosures about investments).

**Note 4. 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.

**Note 5. Promises to Give**

Contributions receivable consist of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Friends of Scouting	\$ 23,204	\$ 238,125
Less: Discount for timing of cash flows	<u>-</u>	<u>-</u>
Subtotal	23,204	238,125

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 5. Promises to Give, (continued)**

Less: Allowance for uncollectible	_____ -	_____ -
Net	<u>\$ 23,204</u>	<u>\$ 238,125</u>
Pledges receivable, due in:		
Less than one year	\$ 23,204	\$ 238,125
One to five years	-	-
More than five years	_____ -	_____ -
	<u>\$ 23,204</u>	<u>\$ 238,125</u>

**Note 6. Land, Buildings, and Equipment**

Land, buildings and equipment in the Capital Fund, consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$1,032,053	\$1,032,053
Building	4,997,739	4,806,040
Land and Leasehold Improvements	2,001,242	1,891,826
Furniture and equipment	789,714	1,035,443
Vehicles	173,186	102,282
Aquatic Equipment	132,086	129,382
Construction in Process	<u>591,443</u>	<u>200,567</u>
	<b>9,717,463</b>	<b>\$9,197,593</b>
Less: accumulated depreciation	<u>(6,856,560)</u>	<u>(6,580,680)</u>
<b>Net book value—land, buildings, and equipment</b>	<b><u>\$2,860,903</u></b>	<b><u>\$2,616,913</u></b>

**Note 7. Investments**

Investments at December 31, 2024 and 2023 are composed of the following:

	<u>2024</u>	<u>2023</u>
Money market	\$ 546,374	\$ 848,994
Fixed income	1,440,809	1,058,738
Equities	1,666,047	1,937,771
Pooled income trust funds	195,511	186,605
Hillam – land in Colorado	<u>95,000</u>	<u>95,000</u>
<b>Total investments</b>	<b><u>\$3,943,741</u></b>	<b><u>\$4,127,108</u></b>

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 7. Investments, (continued)**

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

The following schedule summarizes the investment return in the Statement of Activities and Changes in Net Assets for the years ended December 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Interest	\$ 105,191	\$ 86,902
Net realized gains	\-	18,395
Net unrealized gains (losses)	254,024	194,079
Trustee and other fees	(24,498)	(23,310)
<b>Total investment return, net</b>	<b>\$ 334,717</b>	<b>\$276,066</b>

The above investment return is classified in the 2024 and 2023 Statement of Activities and Changes in Net Assets as follows:

	<b>2024</b>	<b>2023</b>
Investment return recorded:		
Within net assets without donor restrictions	334,717	276,066
<b>Total investment return, net</b>	<b>\$ 334,717</b>	<b>\$276,066</b>

Income from interest and dividends on investments and realized and unrealized gains and losses on the sales of investments (“investment income, gains, and losses”) are recorded initially in the Endowment Fund. Distributions of investment income and net realized gains from the Endowment Fund are recorded as income by the Operating and Capital funds in the period in which the distributions are made in accordance with the Council’s spending policy (Note 14).

**Note 8. Assets Held and Liabilities Under Split-Interest Agreements**

***Charitable Trusts***

We act as trustee for an irrevocable trust. The trust is governed by a trust agreement, which generally provide for a future distribution of cash or other assets to us, in whole or in part upon the occurrence of a specific event, The trust assets are recorded at fair value, and a related liability for future payments to be made to the specified eight beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in assumptions at the end of the year.

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note 8. Assets Held and Liabilities Under Split-Interest Agreements, (continued)**

The liabilities for this trust are recorded at the net present value, which is calculated using a risk-adjusted discount rate of 3% and applicable mortality rates for the 8 named beneficiaries in the trust. The beneficiaries each receive \$7,500 each year until their death. During 2024, the trust reached an agreement with the 8 beneficiaries to pay them a one-time payment to terminate trust obligations on a going forward basis. As a result, the Council is holding the remaining \$1,800 in a bank account that remained after the beneficiary payouts.

**Note 9. Beneficial Interest In Charitable Remainder Trusts Held by Others**

We have been named as an irrevocable beneficiary of several charitable trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, we have neither possession nor control over the assets of the trusts. At the date we receive notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities, and a beneficial interest in charitable trusts held by others is recorded in the statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities. Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released.

**NOTE 10. Deferred Revenue**

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

	<u>Camps</u>	<u>Activities</u>	<u>Other</u>	<u>Total</u>
Balance at December 31, 2022	\$10,830	\$ 106,047	\$10,780	<b>\$127,657</b>
Revenue recognized	(10,830)	(106,047)	(10,780)	(127,657)
Payments received for future performance obligations	<u>17,525</u>	<u>47,778</u>	<u>-</u>	<u>65,303</u>
Balance at December 31, 2023	17,525	47,778	-	65,303
Revenue recognized	(17,525)	(47,778)	-	(65,303)
Payments received for future performance obligations	<u>9,760</u>	<u>3,050</u>	<u>893</u>	<u>13,703</u>
Balance at December 31, 2024	<b><u>\$ 9,760</u></b>	<b><u>\$ 3,050</u></b>	<b><u>\$ 893</u></b>	<b><u>\$ 13,703</u></b>

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note 11. Special Event Revenue**

Gross receipts from special fundraising events recorded by the Council consists 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.

	<u>2024</u>	<u>2023</u>
Contributions	\$606,969	\$583,665
Special event revenue	<u>-</u>	<u>-</u>
Special fundraising events – gross	<u>\$606,969</u>	<u>\$583,665</u>

**Note 12. Fair Value Measurement**

The following provide fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 546,374	\$ 546,374	\$	\$
Fixed income funds	1,440,809	1,440,809		
Equities	1,666,047	1,666,047		
Investment in pooled income trust funds	<u>195,511</u>			<u>195,511</u>
Total financial assets	<u>\$ 3,848,741</u>	<u>\$ 3,653,230</u>	<u>\$ -</u>	<u>\$ 195,511</u>

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, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$ 848,994	\$ 848,994	\$	\$
Fixed income	1,058,738	1,058,738		
Equities	1,937,771	1,937,771		
Investment in pooled income trust funds	<u>186,605</u>			<u>186,605</u>
Total financial assets	<u>\$ 4,032,108</u>	<u>\$ 3,845,503</u>	<u>\$ -</u>	<u>\$ 186,605</u>

The following table reconciles the Council’s beginning to ending balance of its beneficial interest in a perpetual trust measured at fair value using significant unobservable inputs (Level 3) during the years ended December 31, 2024 and 2023:

<u>Beneficial interest in trusts:</u>	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$186,605	\$197,137
Changes in fair value of trust assets	<u>8,906</u>	<u>(10,532)</u>
Balance, end of year	<u>\$195,511</u>	<u>\$186,605</u>

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note 12. Fair Value Measurement, (continued)**

**Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements**

The following tables represent the council's Level 3 assets, the valuation techniques used to measure the fair value of the assets, the significant unobservable inputs, and the ranges of values for those inputs.

As of December 31, 2024

<u>Assets</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u> Fair value of	<u>Range</u>
Beneficial interest in trusts	\$195,511	Present value of future cash flows	assets contributed to trust	N/A

As of December 31, 2022

<u>Assets</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u> Fair value of	<u>Range</u>
Beneficial interest in trusts	\$186,605	Present value of future cash flows	assets contributed to trust	N/A

**Note 13. Net Assets With Donor Restrictions**

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

	2024				
	Operating Fund	Capital Fund	Endowment Fund	Total	
<i>Subject to expenditure for a specific purpose:</i>					
Scouting activities	\$ -	\$ -	\$ -	\$ -	
<i>Total purpose restrictions</i>	-	-	-	-	
<i>Subject to the passage of time:</i>					
Promises to Give	23,204	-	-	23,204	
<i>Total passage of time restrictions</i>	23,204	-	-	23,204	
<i>Endowment:</i>					
Subject to endowment spending policy and appropriation:					
General use	-	-	3,540,782	3,540,782	
<i>Total subject to endowment spending policy and appropriation</i>	-	-	-	-	
Subject to appropriation and expenditure when a specific event occurs:					
Capital improvement projects	-	-	-	-	
Program activities	497,827	-	-	497,827	
<i>Total subject to appropriation and expenditure when a specific event occurs</i>	-	-	-	-	
<b>Total net assets with donor restrictions</b>	<b>\$ 521,031</b>	<b>\$ -</b>	<b>\$ 3,540,782</b>	<b>\$ 4,061,813</b>	

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note 13. Net Assets With Donor Restrictions, (continued)**

	2023				
	Operating Fund	Capital Fund	Endowment Fund	Total	
<i>Subject to expenditure for a specific purpose:</i>					
Scouting activities	\$ -	\$ -	\$ -	\$ -	
<i>Total purpose restrictions</i>	-	-	-	-	
<i>Subject to the passage of time:</i>					
Promises to Give	238,125	-	-	238,125	
Friends of Scouting	238,125	-	-	238,125	
<i>Endowment:</i>					
Subject to endowment spending policy and appropriation:					
General use	-	-	3,675,766	3,675,766	
<i>Total subject to endowment spending policy and appropriation</i>	-	-	3,675,766	3,675,766	
Subject to appropriation and expenditure when A specific event occurs:					
Capital improvement projects	-	-	-	-	
Program activities	256,606	-	-	256,606	
<i>Total subject to appropriation and expenditure when a specific event occurs</i>	-	-	-	-	
<b>Total net assets with donor restrictions</b>	<b>\$ 494,731</b>	<b>\$ -</b>	<b>\$ 3,675,766</b>	<b>\$ 4,170,497</b>	

Net assets were released from donor restrictions during 2024 and 2023 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors as follows:

	2024	2023
<i>Satisfaction of time restrictions:</i>		
Time restrictions	\$ 86,165	\$ 18,626
<i>Satisfaction of program restrictions:</i>		
Scouting activities	-	-
<i>Total satisfaction of program restrictions</i>	-	-
<i>Satisfaction of capital restrictions</i>		
Capital restrictions	-	-
<i>Total net assets released from restriction</i>	<b>\$ 86,165</b>	<b>\$ 18,626</b>

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note 14. 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 accounting principles generally accepted in the United States of America, 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:

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

Endowment net assets consisted of the following at December 31, 2024:

	2024			
	Without Donor Restrictions		With Donor Restrictions	Total
Donor-restricted endowment funds, perpetual in duration—original gift amount	\$ -		\$ 2,978,968	\$
Donor-restricted endowment funds—program services	-		561,814	561,814
Board-designated endowment funds	2,188,855		-	2,188,855
Donor-restricted capital funds	-		-	-
Total endowment net assets	\$ 2,188,855	\$	3,540,782	\$ 5,729,637

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note. 14      Endowment Fund, (continued)**

Changes in endowment net assets for the year ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets—beginning of year	\$ -	\$ 3,675,766	\$ 3,675,766
Investment return:			
Investment return	-	-	-
Transfer of income	-	-	-
Total investment returns	-	-	-
Board designations	2,188,855	-	2,188,855
Appropriation of endowment assets for expenditure	-	(134,984)	(134,984)
<b>Endowment net assets—end of year</b>	<b>\$ 2,188,855</b>	<b>\$ 3,540,782</b>	<b>\$ 5,729,637</b>

Endowment net assets consisted of the following at December 31, 2023:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds, perpetual in duration—original gift amount	\$ 329,218	\$ 1,842,829	\$ 2,172,047
Donor-restricted endowment funds— program services	-	1,842,469	1,842,469
Board-designated endowment funds	-	-	-
Donor-restricted capital funds	(329,218)	(9,532)	(338,757)
<b>Total endowment net assets</b>	<b>\$ -</b>	<b>\$ 3,675,766</b>	<b>\$ 3,675,766</b>

Changes in endowment net assets for the year ended December 31, 2023:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets—beginning of year	\$ 329,218	\$ 1,842,829	\$ 3,319,296
Investment return:			
Investment return		272,392	272,392
Transfer of income		1,570,077	1,570,077
Total investment returns			1,842,469
Board designation		-	-
Appropriation of endowment assets for expenditure	(329,218)	(9,532)	(338,757)
<b>Endowment net assets—end of year</b>	<b>\$ -</b>	<b>\$ 3,675,766</b>	<b>\$ 3,675,766</b>

**San Diego-Imperial Council, Boy Scouts of America**  
Notes to Financial Statements  
December 31, 2024

**Note 14. Endowment Fund, (continued)**

**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 accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2024 and 2023. 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.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Council has a total return spending policy approved by the Board of Directors that allows the operating fund to receive and recognize investment earnings originating from the endowment funds. This is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note. 15. Employee Benefit Plans**

**Retirement Plan**

The National Council has a qualified defined benefit pension plan (“the plan”) administered at the National Service Center that covers employees of the National Council and local councils, including the Local Council, Inc. The plan name is the Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees. Effective December 31, 2018, the plan was frozen to employees with less than 15 years of vesting service, and whose age plus vesting service equaled less than 60 as of December 31, 2018 (non-grandfathered employees). From January 1, 2021 through July 31, 2021, 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, 2021, 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 \$20,000 and \$73,000 for the years ending December 31, 2024 and 2023, respectively, and covered current service cost.

**Thrift Plan**

The Council has established a Thrift Plan covering substantially all of the employees of the Council. Participants in the Thrift Plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Council has elected to match employee contributions to the Thrift Plan up to 50 percent of contributions from each participant, limited to 3 percent of each employee’s gross pay. The Council did not contribute to the Thrift Plan in 2024 and 2023.

**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, 2024 and 2023, the Council remitted approximately \$28,000 and \$39,000, respectively, on behalf of its employees to the National Council related to the health care plan.

**Note. 16 Operating Leases**

**Facilities**

The Council has operating lease agreements for its facilities that are essentially rent free and are located in Balboa Park, Fiesta Island and Camp Bashor in San Diego County. The Balboa Park lease was originally established in 1957. The lease for Balboa Park continues through March 31, 2027, with an option to extend for an additional 15 years. The lease also requires the Council to complete Development Plan improvements. In 1987, the Fiesta Island lease commenced and was a term of 25 years. The lease expired and the Council is on a month to month agreement with the City of San Diego at zero cost. Camp Bashor’s lease is essentially rent free as well and continues through 2045 with two additional lease options. These leases have been excluded from implementation of ASU Topic 842 as being rent free or essentially rent free with no value.

**San Diego-Imperial Council, Boy Scouts of America**

Notes to Financial Statements

December 31, 2024

**Note. 16**      **Leases, (continued)**

**Equipment**

The Organization has an equipment lease has terminated and does not have any that are over 12 months.

Included in the determination of the right-of-use asset and lease liability are any renewal options when the option is reasonably certain to be exercised. The operating lease does not have any that provides for an increase in future minimum annual rental payments.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the facility and office equipment classes of assets.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total right-of-use asset and lease liability at December 31, 2024 are as follows:

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

Weighted-average remaining lease term in years:		Weighted-average discount rate:	
Operating lease-equipment	.0	Operating leases	0.0%

The future minimum lease payments under noncancelable operating lease with terms greater than one year are listed below as of December 31, 2024:

<u>December 31,</u>	
2025	<u>Operating</u> \$ -
Total lease payments	\$ -
Less Discount	( - )
Present value of lease liability	<u>\$ -</u>

**Note 17.**      **Scout Shop**

The National Council operates a Scout shop within the Balboa Park facility of the Council. The National Council manages the Scout shop and pays the Council an 8 percent commission on gross sales up to \$750,000 and 13 percent on sales greater than \$750,000. The commissions earned (before expenses) by the Council during 2024 and 2023 amounted to approximately \$53,000 for both years, which are included in other revenue in the Statement of Activities and Changes in Net Assets.

**Note 18. 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 approximately \$328,000 for both years ended December 31, 2024 and 2023, respectively. The accounts payable balance includes payables to the National Council of \$0 and \$0 as of December 31, 2024, and 2023, respectively.

**Note 19. Donated Materials and Services**

The Council is dependent upon donated materials from diverse groups to fulfill its mission. For the years ended December 31, 2024 and 2023, donated materials recorded in the financial statements as in-kind contributions totaled \$0 and \$0, respectively.

**Note 20. Subsequent Events**

The Council has performed an evaluation of subsequent events through December 11, 2025, which is the date the financial statements were available to be issued. Management is not aware of any subsequent event that would require adjustment to, or disclosure in, the financial statements.