

TIDEWATER COUNCIL, INC.  
BOY SCOUTS OF AMERICA

VIRGINIA BEACH, VIRGINIA

DECEMBER 31, 2024 AND 2023



**Tidewater Council, BSA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

**TABLE OF CONTENTS**

<b>Independent Auditor's Report</b>	<b>1 - 2</b>
<b>Financial Statements:</b>	
<b>Consolidated Statements of Financial Position</b>	<b>3</b>
<b>Consolidated Statements of Changes in Net Assets</b>	<b>4 - 5</b>
<b>Consolidated Statements of Functional Expenses</b>	<b>6</b>
<b>Consolidated Statements of Cash Flows</b>	<b>7</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>8 - 30</b>

**INDEPENDENT AUDITOR'S REPORT**

To The Executive Board  
Tidewater Council, Inc. Boy Scouts of America  
Virginia Beach, Virginia

**Opinion**

We have audited the accompanying consolidated financial statements of the Tidewater Council, Inc. Boy Scouts of America (the Council), which comprise the consolidated statements of financial position as of December 31, 2024, 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 consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Council as of December 31, 2024, and the changes in its net assets and its cash flows for the year ended December 31, 2024 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 Consolidated Financial Statements section of our report. We are required to be independent of the Tidewater Council, Inc. 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 Consolidated Financial Statements**

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

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

**Auditor's Responsibility for the Audit of the Consolidated 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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tidewater Council, Inc. 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 consolidated financial statements.
- Conclude whether, in our judgment there are conditions or events, considered in the aggregate, that raise substantial doubt about Tidewater Council, Inc. 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 the Tidewater Council, Inc. Boy Scouts of America December 31, 2023 consolidated financial statements, our report dated September 20, 2024, expressed an unmodified opinion of those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Colby & Company PLC*

Chesapeake, Virginia  
July 19, 2025

TIDEWATER COUNCIL, INC. BOY SCOUTS OF AMERICA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2024 AND 2023

ASSETS	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>CURRENT ASSETS:</b>								
Cash	\$ 388,497	\$ 852,160	\$ 47,948	\$ 834,722	\$ 4,883	\$ 20,230	\$ 441,328	\$ 1,707,112
Investments	255,287	229,491	-	-	-	-	255,287	229,491
Accounts receivable	88,090	6,920	4,752	1,196	-	-	92,842	8,116
Pledges receivable	-	13,850	-	-	-	-	-	13,850
Inventories-retail merch & suppl	232,919	211,138	-	-	-	-	232,919	211,138
Prepaid expenses	26,266	26,309	-	-	-	-	26,266	26,309
<b>Total current assets</b>	<b>\$ 991,059</b>	<b>\$ 1,339,868</b>	<b>\$ 52,700</b>	<b>\$ 835,918</b>	<b>\$ 4,883</b>	<b>\$ 20,230</b>	<b>\$ 1,048,642</b>	<b>\$ 2,196,016</b>
<b>NON-CURRENT ASSETS:</b>								
Land, buildings and equipment - net (Trust owned and controlled Camp)	\$ -	\$ -	\$ 1,813,025	\$ 1,445,206	\$ -	\$ -	\$ 1,813,025	\$ 1,445,206
Investments	-	-	-	-	1,604,017	1,351,923	1,604,017	1,351,923
Investments - land held for sale	25,448	25,448	-	-	-	-	25,448	25,448
<b>Total non-current assets</b>	<b>\$ 25,448</b>	<b>\$ 25,448</b>	<b>\$ 1,813,025</b>	<b>\$ 1,445,206</b>	<b>\$ 1,604,017</b>	<b>\$ 1,351,923</b>	<b>\$ 3,442,490</b>	<b>\$ 2,822,577</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,016,507</b>	<b>\$ 1,365,316</b>	<b>\$ 1,865,725</b>	<b>\$ 2,281,124</b>	<b>\$ 1,608,900</b>	<b>\$ 1,372,153</b>	<b>\$ 4,491,132</b>	<b>\$ 5,018,593</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES:</b>								
Accounts payable	\$ 33,273	\$ 22,997	\$ -	\$ 6,311	\$ 1,015	\$ -	\$ 34,288	\$ 29,308
Custodial accounts	174,199	593,837	-	-	-	-	174,199	593,837
Deferred activity income	56,752	62,618	-	-	-	-	56,752	62,618
Current Portion Long-Term Debt	-	-	31,094	30,985	-	-	31,094	30,985
Other current liabilities	17,662	30,601	-	834,088	-	-	17,662	864,689
<b>Total current liabilities</b>	<b>\$ 281,886</b>	<b>\$ 710,053</b>	<b>\$ 31,094</b>	<b>\$ 871,384</b>	<b>\$ 1,015</b>	<b>\$ -</b>	<b>\$ 313,995</b>	<b>\$ 1,581,437</b>
<b>LONG-TERM INDEBTEDNESS - net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 686,491</b>	<b>\$ 719,015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 686,491</b>	<b>\$ 719,015</b>
<b>Total liabilities</b>	<b>\$ 281,886</b>	<b>\$ 710,053</b>	<b>\$ 717,585</b>	<b>\$ 1,590,399</b>	<b>\$ 1,015</b>	<b>\$ -</b>	<b>\$ 1,000,486</b>	<b>\$ 2,300,452</b>
<b>NET ASSETS:</b>								
Without donor restrictions	\$ 445,785	\$ 477,762	\$ -	\$ -	\$ -	\$ -	\$ 445,785	\$ 477,762
With donor restrictions	288,836	177,501	1,148,140	690,725	1,607,885	1,372,153	3,044,861	2,240,379
<b>Total net assets</b>	<b>\$ 734,621</b>	<b>\$ 655,263</b>	<b>\$ 1,148,140</b>	<b>\$ 690,725</b>	<b>\$ 1,607,885</b>	<b>\$ 1,372,153</b>	<b>\$ 3,490,646</b>	<b>\$ 2,718,141</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,016,507</b>	<b>\$ 1,365,316</b>	<b>\$ 1,865,725</b>	<b>\$ 2,281,124</b>	<b>\$ 1,608,900</b>	<b>\$ 1,372,153</b>	<b>\$ 4,491,132</b>	<b>\$ 5,018,593</b>

TIDEWATER COUNCIL, INC. BOY SCOUTS OF AMERICA

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023

	Operating Fund	Capital Fund	Endowment Fund	Total All Funds	
				2024	2023
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>					
<b>Public Support:</b>					
<b>Direct public support:</b>					
Friends of scouting	\$ 541,915	\$ -	\$ -	\$ 541,915	\$ 510,359
Project sales	-	-	-	-	14,928
Special fundraising events gross	104,421	-	-	104,421	78,728
Less costs of net benefits	(77,153)	-	-	(77,153)	(74,698)
Other direct support	52	-	-	52	470
<b>Total public support</b>	<b>\$ 569,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 569,235</b>	<b>\$ 529,787</b>
<b>Revenue:</b>					
Sale of supplies - gross	\$ 356,060	\$ -	\$ -	\$ 356,060	\$ 412,657
Less cost of goods sold	(226,950)	-	-	(226,950)	(241,633)
Product sales - gross	1,176,557	-	-	1,176,557	1,180,866
Less cost of goods sold	(306,874)	-	-	(306,874)	(370,425)
Less commissions	(466,051)	-	-	(466,051)	(467,876)
Investment income (loss)	25,796	-	-	25,796	30,485
Camping revenue	693,286	-	-	693,286	657,155
Activity revenue	170,288	-	-	170,288	314,903
Other revenue	273,506	-	-	273,506	131,264
<b>Total revenue</b>	<b>\$ 1,695,618</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,695,618</b>	<b>\$ 1,647,396</b>
<b>Net assets released from restrictions :</b>					
Reclass United Way and Board Restricted	\$ 79,819	\$ 87,472	\$ -	\$ 167,291	\$ 135,458
<b>Total public support and revenue</b>	<b>\$ 2,344,672</b>	<b>\$ 87,472</b>	<b>\$ -</b>	<b>\$ 2,432,144</b>	<b>\$ 2,312,641</b>
<b>Expenses:</b>					
Program services	\$ 1,861,824	\$ 80,475	\$ -	\$ 1,942,299	\$ 1,880,330
<b>Support services:</b>					
Management and general	122,956	1,749	-	124,705	107,941
Fund raising	85,911	5,248	-	91,159	104,051
<b>Total functional expenses</b>	<b>\$ 2,070,691</b>	<b>\$ 87,472</b>	<b>\$ -</b>	<b>\$ 2,158,163</b>	<b>\$ 2,092,322</b>
<b>Other expenses:</b>					
Payments to National Council	\$ 43,645	\$ -	\$ -	\$ 43,645	\$ 28,295
<b>Total expenses</b>	<b>\$ 2,114,336</b>	<b>\$ 87,472</b>	<b>\$ -</b>	<b>\$ 2,201,808</b>	<b>\$ 2,120,617</b>
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>\$ 230,336</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 230,336</b>	<b>\$ 192,024</b>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:

See notes independent auditor's report and notes to the consolidated financial statements.

TIDEWATER COUNCIL, INC. BOY SCOUTS OF AMERICA

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023

	Operating Fund	Capital Fund	Endow- ment Fund	Total All Funds	
				2024	2023
<b>RESTRICTED NET ASSETS:</b>					
Indirect public support - United Way	\$ 79,819	\$ -	\$ -	\$ 79,819	\$ 20,674
Direct public support	111,335	232,209	-	343,544	94,320
Net investment income - interest & dividends	-	-	109,945	109,945	58,403
Net assets released from restriction	(79,819)	(87,472)	-	(167,291)	(91,602)
Direct public support - legacies & bequests	-	-	107,003	107,003	4,027
Net investment gain (loss)	-	-	69,149	69,149	132,916
Increase (decrease) in net assets with donor restrictions	<u>\$ 111,335</u>	<u>\$ 144,737</u>	<u>\$ 286,097</u>	<u>\$ 542,169</u>	<u>\$ 218,738</u>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<u>\$ 341,671</u>	<u>\$ 144,737</u>	<u>\$ 286,097</u>	<u>\$ 772,505</u>	<u>\$ 410,762</u>
<b>Net assets - beginning of year:</b>					
Without donor restrictions	\$ 477,762	\$ -	\$ -	\$ 477,762	\$ 177,927
With donor restrictions	177,501	690,725	1,372,153	2,240,379	2,129,452
Total net assets - beginning of year	<u>\$ 655,263</u>	<u>\$ 690,725</u>	<u>\$ 1,372,153</u>	<u>\$ 2,718,141</u>	<u>\$ 2,307,379</u>
<b>Transfers in net assets:</b>					
Without donor restrictions	\$ (262,313)	\$ -	\$ -	\$ (262,313)	\$ 107,811
With donor restrictions	-	312,678	(50,365)	262,313	(107,811)
Total transfers	<u>\$ (262,313)</u>	<u>\$ 312,678</u>	<u>\$ (50,365)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net assets - end of year:</b>					
Without donor restrictions	\$ 445,785	\$ -	\$ -	\$ 445,785	\$ 477,762
With donor restrictions	288,836	1,148,140	1,607,885	3,044,861	2,240,379
Total net assets - end of year	<u>\$ 734,621</u>	<u>\$ 1,148,140</u>	<u>\$ 1,607,885</u>	<u>\$ 3,490,646</u>	<u>\$ 2,718,141</u>

See independent auditor's report and notes to the consolidated financial statements.

**TIDEWATER COUNCIL, INC. BOY SCOUTS OF AMERICA**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

Expenses	-----Support Services-----				Total Expenses	
	Program Services	Management and General	Fund Raising	Total Support Services	2024	2023
<b>Employee compensation:</b>						
Salaries	\$ 823,435	\$ 53,702	\$ 17,901	\$ 71,603	\$ 895,037	\$ 791,904
Employee benefits	155,266	10,126	3,376	13,502	168,767	158,734
Payroll taxes	77,449	5,051	1,684	6,734	84,184	62,953
<b>Total employee compensation</b>	<b>\$ 1,056,150</b>	<b>\$ 68,879</b>	<b>\$ 22,960</b>	<b>\$ 91,839</b>	<b>\$ 1,147,988</b>	<b>\$ 1,013,591</b>
<b>Other expenses:</b>						
Professional fees	\$ 62,345	\$ 4,453	\$ 7,422	\$ 11,875	\$ 74,220	\$ 82,882
Advertising	16,097	1,050	350	1,400	17,497	26,879
Bank service charges	33,618	2,192	731	2,924	36,541	28,435
Program supplies	289,889	3,019	9,060	12,080	301,968	247,731
Telephone	16,129	1,052	351	1,402	17,531	14,750
Postage and shipping	7,053	336	1,008	1,343	8,397	11,484
Occupancy	139,623	1,586	17,453	19,039	158,662	292,025
Equipment rent and maintenance	11,985	505	126	631	12,616	12,343
Printing and publications	13,013	413	7,229	7,642	20,654	23,523
Travel	50,666	3,304	1,102	4,406	55,072	62,884
Conferences and meetings	13,511	881	294	1,175	14,687	20,216
Specific assistance to individuals	8,467	553	184	737	9,205	5,093
Recognition awards	68,845	1,743	16,558	18,301	87,146	94,894
Insurance	46,464	31,501	787	32,288	78,752	51,130
Interest expense	-	-	-	-	-	20,833
Other expenses	27,970	1,489	297	1,786	29,756	18,811
<b>Total other expenses</b>	<b>\$ 805,674</b>	<b>\$ 54,077</b>	<b>\$ 62,951</b>	<b>\$ 117,029</b>	<b>\$ 922,703</b>	<b>\$ 1,013,913</b>
<b>Expenses before Capital Fund expenses</b>	<b>\$ 1,861,824</b>	<b>\$ 122,956</b>	<b>\$ 85,911</b>	<b>\$ 208,867</b>	<b>\$ 2,070,691</b>	<b>\$ 2,027,504</b>
<b>Equipment rent and maintenance</b>	<b>15,006</b>	<b>325</b>	<b>979</b>	<b>1,304</b>	<b>16,310</b>	<b>10,914</b>
<b>Interest expense</b>	<b>24,891</b>	<b>541</b>	<b>1,623</b>	<b>2,164</b>	<b>27,055</b>	<b>-</b>
<b>Depreciation</b>	<b>40,578</b>	<b>883</b>	<b>2,646</b>	<b>3,529</b>	<b>44,107</b>	<b>53,904</b>
<b>Total functional expenses</b>	<b>\$ 1,942,299</b>	<b>\$ 124,705</b>	<b>\$ 91,159</b>	<b>\$ 215,864</b>	<b>\$ 2,158,163</b>	<b>\$ 2,092,322</b>

**TIDEWATER COUNCIL, INC. BOY SCOUTS OF AMERICA**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

	Operating Fund	Capital Fund	Endow- ment Fund	Total All Funds	
				2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ 341,671</b>	<b>\$ 144,737</b>	<b>\$ 286,097</b>	<b>\$ 772,505</b>	<b>\$ 410,762</b>
<b>ADJUSTMENTS TO NET ASSETS TO RECONCILE CASH FLOWS:</b>					
Depreciation and adjustments	\$ -	\$ 44,107	\$ -	\$ 44,107	\$ 53,904
Net unrealized (gain) loss on investments	(13,159)	-	(69,149)	(82,308)	(159,168)
(Increase) decrease in pledges receivable	13,850	-	-	13,850	(10,065)
(Increase) decrease in accounts receivable	(81,170)	(3,556)	-	(84,726)	131,668
Transfer (to) from another fund	(262,313)	312,678	(50,365)	-	-
(Increase) decrease in inventories	(21,781)	-	-	(21,781)	(65,232)
(Increase) decrease in prepaid expenses	43	-	-	43	8,575
Increase (decrease) in custodial account	(419,638)	-	-	(419,638)	72,615
Increase (decrease) in accounts payable & accrued exp	(2,663)	(840,399)	1,015	(842,047)	809,533
Increase (decrease) in deferred activity and special events	(5,866)	-	-	(5,866)	(56,564)
<b>Total adjustments</b>	<b>\$ (792,697)</b>	<b>\$ (487,170)</b>	<b>\$ (118,499)</b>	<b>\$ (1,398,366)</b>	<b>\$ 785,266</b>
<b>Cash provided (used) by operating activities</b>	<b>\$ (451,026)</b>	<b>\$ (342,433)</b>	<b>\$ 167,598</b>	<b>\$ (625,861)</b>	<b>\$ 1,196,028</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchases of property and equipment - net	\$ -	\$ (411,926)	\$ -	\$ (411,926)	\$ (206,585)
Proceeds from sale of fixed assets	-	-	-	-	10,501
Net purchase of investments & reinvested earnings	(12,637)	-	(182,945)	(195,582)	(16,255)
<b>Net cash used by investing activities</b>	<b>(12,637)</b>	<b>\$ (411,926)</b>	<b>(182,945)</b>	<b>\$ (607,508)</b>	<b>\$ (212,339)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from (payments to) notes payable	\$ -	\$ (32,415)	\$ -	\$ (32,415)	\$ 179,231
<b>Net cash provided (used) by financing activities</b>	<b>\$ -</b>	<b>\$ (32,415)</b>	<b>\$ -</b>	<b>\$ (32,415)</b>	<b>\$ 179,231</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ (463,663)</b>	<b>\$ (786,774)</b>	<b>\$ (15,347)</b>	<b>\$ (1,265,784)</b>	<b>\$ 1,162,920</b>
<b>CASH - Beginning of the year</b>	<b>852,160</b>	<b>834,722</b>	<b>20,230</b>	<b>1,707,112</b>	<b>544,192</b>
<b>CASH - End of the year</b>	<b>\$ 388,497</b>	<b>\$ 47,948</b>	<b>\$ 4,883</b>	<b>\$ 441,328</b>	<b>\$ 1,707,112</b>

See independent auditor's report and notes to the consolidated financial statements.

TIDEWATER COUNCIL, INC. BOY SCOUTS OF AMERICA  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023

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

**(A) Nature of Organization:**

The Tidewater Council, Inc. Boy Scouts of America (the Council) operates in four cities in Virginia, including Virginia Beach, Chesapeake, Norfolk and Portsmouth; and seven counties in Northeastern North Carolina, which include: Camden, Chowan, Currituck, Dare, Pasquotank, Gates and Perquimans counties. The Council maintains control of an Endowment Trust which is funded by donations and which includes assets with and without restrictions which are held in a market fund. The Council President serves as the ex-officio Trustee of a Property Trust which holds title to the Pipsico Scout Reservation in Surry, Virginia which was donated for the use and benefit of the Tidewater Council and which is operated and maintained by the Council. The Council also leases other short-term camping facilities. 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. The Council delivered Scouting to 4,153 and 4,116 youth members in 2024 and 2023, respectively.

The Tidewater 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 the 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.

*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.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(A) Nature of Organization (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. 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.

Tidewater Council #596's website address is [www.tidewaterbsa.com](http://www.tidewaterbsa.com).

**(B) Principles of Consolidation:**

The Council has voting control over and an economic interest in the Endowment Trust and its invested funds; and, the Council President serves as the ex-officio Trustee of the Property Trust, which holds title to the Pipsico Scout Reservation for the use and benefit of the Tidewater Council which operates and maintains Pipsico. Accordingly, the associated accounts for the funds and properties included in both of these Trusts are consolidated with the Council's accounts in the accompanying consolidated financial statements. All intercompany balances and transactions have been eliminated in the consolidation. The Council and the Trust funds are hereinafter collectively referred to as the "Council."

**(C) Fund Accounting:**

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Council 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, Trust owned Camp, 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 stipulations that the principal be maintained intact in perpetuity, until the occurrence of a specified event or for a specified period, and that investment return 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.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(D) Basis of Presentation:**

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

**(E) Prior Year Summarized Comparative Information:**

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

**(F) Use of Estimates:**

The preparation of the 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. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the consolidated financial statements.

**(G) Cash and Cash Equivalents:**

The Council considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

**(H) 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.

**(I) Receivables and Credit Policies**

Accounts receivable consist primarily of noninterest-bearing amounts due for popcorn sales. The Council determines the allowance for credit losses based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statement of financial position.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(J) 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.

**(K) Inventories:**

Inventories, which consist primarily of Scouting supplies and other items available for resale, are stated at the lower of average cost or net realizable value.

**(L) 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 \$5,000 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 the lease terms of the assets as follows:

<b>Assets</b>	<b>Estimated Useful Life</b>
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.

**(M) 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.

**(N) 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

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(N) Long-Lived Assets (Continued):**

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 of fair value less costs to sell. No impairment charges were recorded during the years ended December 31, 2024 and 2023.

**(O) Investments:**

Investments with readily determinable fair values are measured at fair value in the statements of financial position. Interest, dividends, realized and unrealized gains and losses on investments, net of fees, are recorded as investment return in the consolidated statements of activities and changes in net assets. Realized gains and losses are determined on a specific identification basis. Realized and unrealized gain 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.

**(P) Net Assets:**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.**

**Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.**

The Council reports donor-restricted contributions and investment return restricted by donors [including on its endowment funds (covered by UPMIFA, which extends a donor’s restriction to use of the funds, including the investment return, until the funds are appropriated for expenditure by the governing board)], as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished, including appropriation for expenditure of investment return from endowment funds) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(Q) Revenue Recognition:**

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, 2024 and 2023:

*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, 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 a popcorn vendor's 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 40% 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 vendor's 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 a Boy Scouts of America approved vendor's 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, costs 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 November 1, 2024. As of December 31, 2024 and 2023, no probable popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

The Council has concluded that the single identified performance obligation is delivered as its members receive and consume benefits. This occurs ratably over the annual membership period.

See independent auditor's report

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(Q) Revenue Recognition (Continued):**

*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 costs 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 statements of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligations. Accordingly, the Council separately presents in its consolidated statements of activities and changes in net assets or notes to financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Council in advance of its delivery are initially recognized as 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 (if this applies to your council) and is recognized on a monthly basis as earned.

**(R) Pledges Receivable:**

Unconditional promises to give 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 the 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.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(R) Pledges Receivable (Continued):**

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 credit worthiness of the other parties, the Council's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variation in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability. Amortization of 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, the Council believes no allowance for uncollectible pledges is necessary.

**(S) Contribution Revenue:**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

See also Contributed Nonfinancial Assets, below.

**Grant awards**

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

- Grant awards that are contributions - Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as grant funds received in advance.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(S) Contribution Revenue (Continued):**

• Grant awards that are exchange transactions - Exchange transactions typically reimburse based on a predetermined rate for services performed in accordance with the terms of the award. The revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There were no grant awards that were considered exchange transactions during the years ended December 31, 2024 and 2023.

**(T) Contributed Nonfinancial Assets:**

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 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. A substantial number of volunteers have donated significant amounts of time to the Council in furthering its programs and objectives. However, no amounts have been included in the consolidated financial statements for donated member or volunteer services since they do not meet the criteria for recognition.

**(U) Functional Expenses:**

The costs of providing the various programs and supporting services have been summarized on the consolidated statement of activities and changes in net assets on a functional basis. Most expenses can be directly attributed to one of the programs or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, including the Scout executive's, accounting, information technology personnel, and payroll taxes.

The basis of allocation of these expenses is the relative time spent by employees of the Council 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 and national service fees to the National Council are not allocated as a functional expense. The consolidated financial statements report expenses by function in the consolidated statement of functional expenses.

**(V) Advertising:**

Advertising costs are expensed when incurred. Advertising for 2024 and 2023 amounted to \$17,497 and \$26,879, respectively.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(W) 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.

**(X) 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 endowment fund is a 509(a)(3) Type II supporting organization. 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 consolidated financial statements. During the years ended December 31, 2024 and 2023, respectively, the Council incurred no penalties and interest. The Council's and endowment fund'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 three years after they were filed.

**(Y) 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.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(Y) Fair Value Measurement (Continued):**

**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 and liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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

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

**(Z) Employee Retention Credit**

During the 2022 year, the Council received advance payments under the Employee Retention Credit (ERC). The ERC is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, which was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The council expects to meet the ERC's eligibility requirements and considers these payments as a conditional grant.

Accordingly, the council has initially recorded the payments as a refundable advance in accordance with the guidance for conditional contributions and will recognize the grant in the statement of activities when there is no longer a measurable performance or other barrier.

Laws and regulations concerning government programs, including the ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Council's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Council.

See independent auditor's report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(AA) Accounting Pronouncements Adopted:**

Accordingly, the Council has recognized the right-of-use assets and lease liabilities measured under FASB ASC 842 in its statement of financial position, and the related cumulative effect on earnings as an adjustment to net assets, as of the adoption date. Adoption of FASB ASC 842 resulted in a decrease of \$133,740 to beginning net assets without donor restrictions for the year ended December 31, 2022.

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, which 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. The Council has adopted the provisions of FASB ASC 842 as of January 1, 2022 and has elected to use the risk-free rate for its building and office equipment classes of assets. See also Note 1, Leases.

Effective January 1, 2022, the Council adopted the provisions of FASB ASU 2020-07, Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The amendments in this Update apply to nonprofit organizations that receive contributed nonfinancial assets (also referred to as gifts-in-kind) and address presentation and disclosure of those contributed nonfinancial assets. The term “nonfinancial assets” includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, cryptocurrency, services, and unconditional promises of those assets. Under ASU 2020-07, organizations must present gifts-in-kind as a separate line item in the statement of activities, apart from gifts of cash and other financial assets. In addition to this presentation requirement, the gifts-in-kind must be further broken down into categories (fixed assets, supplies, contributed services, etc.) in the notes to the financial statements. For each category of contributed non-financial assets recognized in the financial statements, further footnote disclosures are required under the ASU, including whether the gifts-in-kind were sold or used, among other disclosures. The provisions of ASU 2020-07 must be applied on a retrospective basis (meaning that all periods presented in comparative financial statements must reflect the requirements of the new standard). Adoption of this standard had no effect on its net assets for the years ending December 31, 2022 and 2021.

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.

See independent auditor’s report.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**(AA) Accounting Pronouncements Adopted (Continued):**

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, which 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.

Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), Effective Dates for Certain Entities (ASU 2020-05).

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.

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The financial asset held by the Company that is subject to the guidance in FASB ASC 326 is contracts receivable.

**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:

	<u>2024</u>	<u>2023</u>
Cash - Operating Fund	\$ 388,497	\$ 852,160
Endowment receivable transfer to Operating Fund	36,000	-
Pledges receivable - Operating Fund	<u>88,090</u>	<u>13,850</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 512,587</u>	<u>\$ 866,010</u>

The Council's endowment funds consist of donor-restricted endowments. 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 become due.

See independent auditor's report.

**NOTE 3 - ACCOUNTS RECEIVABLE:**

Accounts receivable consist primarily of amounts due from Scout units on popcorn sales. At December 31, 2024 and 2023, accounts receivable totaled \$0 and \$0, respectively. Allowances for credit losses are established based on prior collection experiences and current economic factors, which, in management’s judgment, could influence the ability of customers to repay the amounts. No allowance for credit losses was deemed necessary as of December 31, 2024 and 2023.

At December 31, 2022, the Council also recorded in its financial statements \$80,839 due from filing Forms 941-X, Adjusted Employer’s Quarterly Federal Tax Return or Claim for Refund, in order to receive amounts to which it believes it is entitled under the Employee Local Council Guide to the Retention Credit (ERC), which is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). Laws and regulations concerning government programs, including the Employee Retention Credit, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Council’s claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Council.

**NOTE 4 - PLEDGES RECEIVABLE:**

Pledges receivable at December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Friends of Scouting (Net of Allowance)	\$ -	\$ 13,850
Darden Dinner	-	-
Total pledges receivable	<u>\$ -</u>	<u>\$ 13,850</u>
Pledges receivable, due in:		
Less than one year	<u>\$ -</u>	<u>\$ 13,850</u>

**NOTE 5 - LAND, BUILDINGS, AND EQUIPMENT:**

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

	<u>Estimated Useful Life</u>	<u>2024</u>	<u>2023</u>
Land (including trust owned camp)		\$ 490,995	\$ 490,995
Land improvements	10 - 40 years	1,032,281	1,032,281
Buildings (including trust owned camp)	2 - 50 years	3,175,751	2,763,826
Furniture, fixtures and equipment	3 - 20 years	<u>1,129,781</u>	<u>1,129,781</u>
Total		\$ 5,828,808	\$ 5,416,883
Less accumulated depreciation		<u>4,015,783</u>	<u>3,971,677</u>
Net book value – land, buildings, and equipment		<u>\$ 1,813,025</u>	<u>\$ 1,445,206</u>

See independent auditor’s report.

**NOTE 6 - INVESTMENTS:**

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

	<u>2024</u>	<u>2023</u>
Total cost of investments	\$ 1,378,165	\$ 1,182,584
Unrealized holding gains (losses)	481,139	398,830
Level 1 - Fair market value	<u>\$ 1,859,304</u>	<u>\$ 1,581,414</u>
Level 3 – Land held for investments	<u>\$ 25,448</u>	<u>\$ 25,448</u>

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 consolidated financial statements.

The following schedule summarizes the investment return in the consolidated statement of changes in net assets for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest, dividend, and capital gain income	\$ 135,741	\$ 64,111
Net realized and unrealized gains (losses)	69,149	159,168
Investment expenses	-	-
Total investment return, net	<u>\$ 204,890</u>	<u>\$ 223,279</u>

The above investment return is classified in the 2024 and 2023 consolidated statement of changes in net assets as follows:

	<u>2024</u>	<u>2023</u>
Without donor restrictions	\$ 25,796	\$ 31,960
With donor restrictions	179,094	191,319
Total investment return, net	<u>\$ 204,890</u>	<u>\$ 223,279</u>

Income from interest and dividends on investments and realized and unrealized gains and losses on the sales of investments (“Investment Return, Gains, and Losses”) are recorded initially in the Endowment Fund. Distributions of Investment Return 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 13).

**NOTE 7 - BENEFICIAL INTEREST IN PERPETUAL TRUST**

The Council has been named as the beneficiary of a perpetual trust administered by an external, corporate trustee. The Council has the irrevocable right to receive a portion of the income earned on the trust assets in perpetuity. The Council’s beneficial interest in the trust, at fair value, totaled approximately \$1,604,017 and \$1,351,923, at December 31, 2024 and 2023, respectively.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Beneficial interest in:				
Board member restricted	476,369	476,369	-	-
Endowment restricted	<u>1,127,648</u>	<u>1,127,648</u>	-	-
Total assets	<u>\$1,604,017</u>	<u>\$1,604,017</u>	<u>\$ -</u>	<u>\$ 1,604,017</u>

See independent auditor’s report.

**NOTE 8 - 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>Special Activities</u>	<u>Events</u>	<u>Other</u>	<u>Total</u>
Balance at December 31, 2022:	\$ 48,306	\$ 70,876	\$ -	\$ -	\$ 119,182
Revenue recognized	(657,155)	(314,903)	(4,030)	(94,120)	(1,070,208)
Payments received for future performance obligations	<u>670,804</u>	<u>244,690</u>	<u>4,030</u>	<u>94,120</u>	<u>1,013,644</u>
Balance at December 31, 2023	\$ 61,955	\$ 663	\$ -	\$ -	\$ 62,618
Revenue recognized	(693,286)	(170,288)	(27,267)	(143,943)	(1,034,784)
Payments received for future performance obligations	<u>679,685</u>	<u>178,023</u>	<u>27,267</u>	<u>143,943</u>	<u>1,028,918</u>
Balance at December 31, 2024	<u>\$ 48,354</u>	<u>\$ 8,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,752</u>

**NOTE 9 - TERM LOAN:**

The Council has a Mortgage Term Loan in the amount not to exceed \$750,000 with interest stated at 3.6%, collateralized by real property. There were balances of \$717,585 and \$750,000 against this draw term loan as of December 31, 2024 and 2023, respectively. The loan is interest only until January 15, 2025, at which time the entire draw loan will be converted to a term loan. The Council had monthly payments starting January 15, 2024 of \$4,735 of Principal and Interest. The interest will reset on January 15, 2032 to the weekly average yield on United States Treasury Securities plus two percent, and reset again on January 15, 2036, finally maturing on January 15, 2041. The current maturities of the long-term debt are as follows:

<u>For the Year Ended December 31,</u>	
2025	\$ 31,094
2026	32,248
2027	33,445
2028	34,620
2029 and later	<u>586,178</u>
Total	<u>\$ 717,585</u>

**NOTE 10 - 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.

See independent auditor's report.

**NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions are restricted for the following purposes at December 31, 2024 and 2023:

	December 31, 2024			
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total Fund</u>
<b>Subject to expenditure for a specific purpose:</b>				
Dining Hall Capital Campaign	\$ 23,065	\$ -	\$ -	\$ 23,065
Wood badge Dinner	5,464	-	-	5,464
VB Rotary	500	-	-	500
Hampton Roads Community Foundation	20,620	-	-	20,620
Alumni	141	-	-	141
Pipsico Shower House	-	653,650	-	653,650
Camp Tent Platforms	-	37,075	-	37,075
Kelly Thorp Grant	4,142	-	-	4,142
General Operations	<u>234,904</u>	<u>457,415</u>	-	<u>692,319</u>
<b>Total purpose restrictions</b>	<b><u>\$ 288,836</u></b>	<b><u>\$1,148,140</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,436,976</u></b>
<b>Endowment:</b>				
<b>Subject to endowment spending policy and appropriation:</b>				
General Operations	\$ -	\$ -	\$ 368,219	\$ 368,219
PACE Camperships	-	-	4,500	4,500
Emanuel Trust	-	-	33,318	33,318
Taylor Trust	-	-	11,429	11,429
D H Goodman	-	-	17,589	17,589
E Kaltenbach	-	-	3,578	3,578
Beedie - Warren	-	-	4,192	4,192
Hugh Vaughan	-	-	574,127	574,127
James E. West	-	-	476,460	476,460
Hap Hoy	-	-	11,725	11,725
Pipsico	-	-	2,569	2,569
Glanville Insurance	-	-	2,889	2,889
Dan Duncan	-	-	73,283	73,283
Camp Maintenance	-	-	<u>24,007</u>	<u>24,007</u>
<b>Total subject to endowment spending policy and appropriation</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,607,885</u></b>	<b><u>\$1,607,885</u></b>
 <b>Total net assets with donor restrictions</b>	 <b><u>\$ 288,836</u></b>	 <b><u>\$1,148,140</u></b>	 <b><u>\$1,607,885</u></b>	 <b><u>\$3,044,861</u></b>

See independent auditor's report.

**NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS (Continued):**

**December 31, 2023**

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total Fund</u>
<b>Subject to expenditure for a specific purpose:</b>				
Dining Hall Capital Campaign	\$ 23,065	\$ -	\$ -	\$ 23,065
Wood badge Dinner	5,464	-	-	5,464
VB Rotary	500	-	-	500
Hampton Roads Community Foundation	20,620	-	-	20,620
Alumni	141	-	-	141
Pipsico Shower House	-	105,233	-	105,233
Camp Tent Platforms	-	4,818	-	4,818
Kelly Thorp Grant	4,142	-	-	4,142
General Operations	<u>123,569</u>	<u>580,674</u>	-	<u>704,243</u>
<b>Total purpose restrictions</b>	<b><u>\$ 177,501</u></b>	<b><u>\$ 690,725</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 868,226</u></b>
<b>Endowment:</b>				
<b>Subject to endowment spending policy and appropriation:</b>				
General Operations	\$ -	\$ -	\$ 311,283	\$ 311,283
PACE Camperships	-	-	4,202	3,630
Emanuel Trust	-	-	31,115	26,881
Taylor Trust	-	-	10,674	9,221
D H Goodman	-	-	16,426	14,191
E Kaltenbach	-	-	3,341	2,887
Beedie - Warren	-	-	3,915	3,382
Hugh Vaughan	-	-	536,170	463,210
James E. West	-	-	348,122	308,283
Hap Hoy	-	-	10,950	9,460
Pipsico	-	-	2,399	2,072
Glanville Insurance	-	-	2,698	2,331
Dan Duncan	-	-	68,438	59,125
Camp Maintenance	-	-	<u>22,420</u>	<u>19,369</u>
<b>Total subject to endowment spending policy and appropriation</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,372,153</u></b>	<b><u>\$1,372,153</u></b>
 <b>Total net assets with donor restrictions</b>	 <b><u>\$ 177,501</u></b>	 <b><u>\$ 690,725</u></b>	 <b><u>\$1,372,153</u></b>	 <b><u>\$2,240,379</u></b>

See independent auditor's report.

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**NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS:**

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:

	<u>2024</u>	<u>2023</u>
Satisfaction of program restrictions:		
United Way	\$ <u>167,291</u>	\$ <u>135,458</u>
Total net assets released from restriction	\$ <u>167,291</u>	\$ <u>135,458</u>

**NOTE 13 - 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 law. Additionally, in accordance with SPMIFA, the Council considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Council 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 Council
- (7) The investment policies of the Council

See independent auditor's report.

**NOTE 13 - ENDOWMENT FUND (Continued):**

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Fund net assets, December 31, 2024			
Donor-restricted endowment funds	\$ -	\$ 1,607,885	\$ 1,607,885

Changes in the endowment net assets for the years ended December 31, 2024 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Fund net assets, December 31, 2024			
Donor-restricted endowment funds	\$ -	\$ 1,372,153	\$ 1,372,153
Investment return	-	128,729	128,729
Contributions	-	107,003	107,003
Released / reclassified	-	-	-
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets, December 31, 2024:			
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 1,607,885</u>	<u>\$ 1,607,885</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Fund net assets, December 31, 2023			
Donor-restricted endowment funds	\$ -	\$ 1,372,153	\$ 1,372,153

Changes in the endowment net assets for the years ended December 31, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Fund net assets, December 31, 2023			
Donor-restricted endowment funds	\$ -	\$ 1,223,680	\$ 1,223,680
Investment return	-	144,421	144,421
Contributions	-	4,052	4,052
Released / reclassified	-	-	-
Appropriation of endowment assets for expenditure	-	-	-
Endowment net assets, December 31, 2023:			
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 1,372,153</u>	<u>\$ 1,372,153</u>

See independent auditor's report.

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**NOTE 13 - 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 U.S. GAAP, 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 as well as board-designated funds. Under this policy, as approved by the Board of Directors, the Council invests in assets that produce results exceeding the investment's purchase price and incur a significant yield of return, while assuming a moderate level of investment risk. The Council expects its endowment fund, over time, to provide a reasonable rate of return.

**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 marketable equity and debt securities and money market accounts 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. The Board of Directors approved spending policy was to distribute the unrestricted dividend, interest and realized gains at a rate of 3% for the years ended December 31, 2024 and 2023, in addition to releases on donor-restricted dividend and interest earned on endowment assets during the year, which was \$109,945 and \$58,403 for the years ended December 31, 2024 and 2023, respectively. 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.

**NOTE 14 - EMPLOYEE BENEFIT PLANS:**

**BSA Retirement Plan for Employees**

Local councils contributed 12% of the employee's compensation to the BSA retirement program through January 31, 2022. Local councils are invoiced by the National council on a monthly basis for the difference between the 12% and the employer contributions to the BSA Match Savings Plan (see below). Retirement program expense (excluding the contributions made by employees) was approximately \$75,095 and \$54,836 in 2024 and 2023, respectively, and covered current service cost.

See independent auditor's report.

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**NOTE 14 - EMPLOYEE BENEFIT PLANS (Continued):**

**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 \$65,548 and \$78,368, respectively, on behalf of its employees to the National Council related to the health care plan.

**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 may elect 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, but currently is not matching. During the years ended December 31, 2024 and 2023, the Council remitted approximately \$17,157 and \$15,233, respectively.

**NOTE 15 - SCOUT SHOP:**

The Tidewater Council operates a Scout shop within the Tidewater area. The Tidewater Council manages the Scout shop and does not pay the National Council a commission on gross sales.

**NOTE 16 - 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 \$772,925 and \$838,301 for the years ended December 31, 2024 and 2023, respectively. The accounts payable balance includes payables to the National Council of \$115 and \$36 as of December 31, 2024 and 2023, respectively.

**NOTE 17 - DONATED TIME AND MATERIALS**

The Council is dependent upon volunteer time and materials from diverse groups to fulfill its mission, particular the volunteer base for troops and scouts. For the years ended December 31, 2024 and 2023, there were no donated materials recorded in the consolidated financial statements as in-kind contributions.

**NOTE 18 - CONCENTRATIONS:**

During the year ended December 31, 2024, the Council received \$79,819 (approximately 2%) of its support from The United Way. During the year ended December 31, 2023, the Council received \$20,674 (approximately 1%) of its support from The United Way.

**NOTE 19 - ACCOUNTS PAYABLE:**

Accounts payable include amounts due to vendors, totaling \$34,288 and \$29,308 at December 31, 2024 and 2023, respectively, for the purchase of inventory and supplies.

See independent auditor's report.

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**NOTE 20 - SHARED RESPONSIBILITY SETTLEMENT:**

**Litigation and Shared Responsibility Settlement**

The Council has not been named as a defendant nor has it been made aware of personal injury claims against it. The Council has and will continue to vigorously defend these actions.

The National Council was named as a defendant in lawsuits alleging sexual abuse, including claims for compensatory and punitive damages. Some of these claims arise out of conduct occurring on Council property and/or were committed by Council employees or volunteers. The National Council has disclosed that in the event that its GLIP or its reserves are insufficient to resolve such claims, it is their opinion that the total amount of payments to resolve current and future claims could have a significant impact on the financial position or results of operations of the National Council.

The National Council provides the Council with a charter, program materials and support for administration as well as sponsoring certain benefit plans for Council employees. Since 1978 the National Council has operated a GLIP in which the Council participates. On February 18, 2020, the National Council filed for protection under chapter 11 of the United States Bankruptcy Code. The National Council continues to operate its business in the ordinary course and has received bankruptcy court approval to continue its relationship with the Councils including the benefit and insurance programs noted above. Neither the Tidewater Council nor any other local council are currently parties to the bankruptcy proceeding. The court has granted a stay on litigation against both the National Council and local councils and the National Council has proposed a plan of reorganization that would protect local councils from any further legal exposure for abuse claims arising prior to February 18, 2020. Such plan will require a contribution from local councils. As of this date, the Council's contribution was \$675,351. The ability of the National Council to confirm such a plan is currently with the courts.

The Board and management of the Council has assessed the effect the resolution of these matters by the National Council may have on the Council's operations or its consolidated financial statements, and has responded by recording the liability at 12/31/2021, paying the settlement amount during 2022, and obtaining a mortgage (See footnote 10) on the council's main office building to spread out the cash impact of the shared responsibility over the life of the mortgage loan.

**NOTE 21 - SUBSEQUENT EVENTS:**

These consolidated financial statements considered subsequent events through July 19, 2025, the date the financial statements were available to be issued.

**NOTE 22 - UNITED WAY FUND RAISING COSTS:**

The Council as part of a requirement of receiving support from the United Way, shares in the costs to acquire the funds in proportion to the amount of support received from the United Way. The allocated fundraising costs for the year ended December 31, 2024 and 2023 was \$7,861 and \$7,725, respectively.

See independent auditor's report.