



**Westchester-Putnam Council, Inc.
Boy Scouts of America**

Consolidated Financial Statements

December 31, 2017 and 2016

**Westchester-Putnam Council, Inc.
Boy Scouts of America**

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Consolidated Financial Statements
December 31, 2017 and 2016

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Independent Auditors' Report

The Executive Board Westchester-Putnam Council, Inc. Boy Scouts of America

We have audited the accompanying consolidated financial statements of Westchester-Putnam Council, Inc. Boy Scouts of America, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Westchester-Putnam Council, Inc. Boy Scouts of America as of December 31, 2017 and 2016, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

May 15, 2018

PKF O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Harrison NY 10528 | Tel: 914-381-8900 | Fax: 914-381-8910 | www.pkfod.com

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Westchester-Putnam Council, Inc.
Boy Scouts of America
Consolidated Statements of Financial Position

| | December 31, 2017 | | | | December 31, 2016 | | | |
|---|-------------------|---------------------|---------------------|----------------------|-------------------|---------------------|---------------------|----------------------|
| | Operating Fund | Capital Fund | Endowment Fund | Total All Funds | Operating Fund | Capital Fund | Endowment Fund | Total All Funds |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 715,291 | \$ 96,073 | \$ 18,821 | \$ 830,185 | \$ 356,013 | \$ 1,415 | \$ 4,881 | \$ 362,309 |
| Other receivables | 24,736 | - | - | 24,736 | 40,263 | - | - | 40,263 |
| Pledges receivable, net | 325,364 | - | 750 | 326,114 | 23,930 | - | 36,500 | 60,430 |
| Inventory | 73,726 | - | - | 73,726 | 67,911 | - | - | 67,911 |
| Interfund accounts | (581,994) | 8,085 | 573,909 | - | (109,984) | 108,898 | 1,086 | - |
| Prepaid and deferred activity expense | 38,663 | - | - | 38,663 | 144,198 | - | - | 144,198 |
| Long-term investments | - | - | 9,366,996 | 9,366,996 | - | - | 9,406,587 | 9,406,587 |
| Beneficial interest in gift annuity | - | - | 17,015 | 17,015 | - | - | 15,810 | 15,810 |
| Land, building and equipment, net of accumulated depreciation | - | <u>5,662,288</u> | - | <u>5,662,288</u> | - | <u>6,004,732</u> | - | <u>6,004,732</u> |
| | <u>\$ 595,786</u> | <u>\$ 5,766,446</u> | <u>\$ 9,977,491</u> | <u>\$ 16,339,723</u> | <u>\$ 522,331</u> | <u>\$ 6,115,045</u> | <u>\$ 9,464,864</u> | <u>\$ 16,102,240</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable and accrued expenses | \$ 68,909 | \$ 33,227 | \$ - | \$ 102,136 | \$ 294,645 | \$ 1,335 | \$ - | \$ 295,980 |
| Custodian accounts | 388,236 | - | - | 388,236 | 298,489 | - | - | 298,489 |
| Deferred activity and camping income | 60,337 | - | - | 60,337 | 160,620 | - | - | 160,620 |
| Other liabilities | 9,358 | - | - | 9,358 | 11,859 | - | - | 11,859 |
| Loan payable | 75,000 | - | - | 75,000 | 67,000 | - | - | 67,000 |
| Notes payable | - | <u>188,420</u> | - | <u>188,420</u> | - | <u>249,330</u> | - | <u>249,330</u> |
| Total Liabilities | <u>601,840</u> | <u>221,647</u> | <u>-</u> | <u>823,487</u> | <u>832,613</u> | <u>250,665</u> | <u>-</u> | <u>1,083,278</u> |
| Net Assets | | | | | | | | |
| Unrestricted | (306,533) | 5,544,799 | 6,240,405 | 11,478,671 | (323,279) | 5,864,380 | 5,819,318 | 11,360,419 |
| Temporarily restricted | 300,479 | - | 144,477 | 444,956 | 12,997 | - | 130,779 | 143,776 |
| Permanently restricted | - | - | 3,592,609 | 3,592,609 | - | - | 3,514,767 | 3,514,767 |
| Total Net Assets | <u>(6,054)</u> | <u>5,544,799</u> | <u>9,977,491</u> | <u>15,516,236</u> | <u>(310,282)</u> | <u>5,864,380</u> | <u>9,464,864</u> | <u>15,018,962</u> |
| | <u>\$ 595,786</u> | <u>\$ 5,766,446</u> | <u>\$ 9,977,491</u> | <u>\$ 16,339,723</u> | <u>\$ 522,331</u> | <u>\$ 6,115,045</u> | <u>\$ 9,464,864</u> | <u>\$ 16,102,240</u> |

See notes to consolidated financial statements

Westchester-Putnam Council, Inc.
Boy Scouts of America
Consolidated Statements of Changes in Net Assets

| | Year Ended December 31, 2017 | | | | Year Ended December 31, 2016 | | | |
|--|------------------------------|--------------------|-------------------|--------------------|------------------------------|--------------------|-------------------|---------------------|
| | Operating Fund | Capital Fund | Endowment Fund | Total All Funds | Operating Fund | Capital Fund | Endowment Fund | Total All Funds |
| Changes in Unrestricted Net Assets | | | | | | | | |
| PUBLIC SUPPORT AND REVENUE | | | | | | | | |
| Direct Support | | | | | | | | |
| Friends of Scouting contributions | \$ 345,178 | \$ - | \$ - | \$ 345,178 | \$ 312,533 | \$ - | \$ - | \$ 312,533 |
| Special events, net of direct benefit costs | 148,940 | - | - | 148,940 | 289,387 | - | - | 289,387 |
| Legacies and bequests | - | - | 18,619 | 18,619 | - | - | - | - |
| Foundations and trusts | 33,200 | - | - | 33,200 | 20,250 | - | - | 20,250 |
| Project sales contributions | 4,460 | - | - | 4,460 | - | - | - | - |
| Other direct support | 314,654 | 12,000 | - | 326,654 | 22,731 | 3,368 | - | 26,099 |
| Total Direct Support | <u>846,432</u> | <u>12,000</u> | <u>18,619</u> | <u>877,051</u> | <u>644,901</u> | <u>3,368</u> | <u>-</u> | <u>648,269</u> |
| Indirect Support from United Ways and others | <u>15,681</u> | <u>-</u> | <u>-</u> | <u>15,681</u> | <u>17,254</u> | <u>-</u> | <u>-</u> | <u>17,254</u> |
| Revenue | | | | | | | | |
| Sale of products, net of cost of sales | 139,409 | - | - | 139,409 | 140,718 | - | - | 140,718 |
| Investment income | 786,004 | - | 404,005 | 1,190,009 | 536,344 | - | 206,552 | 742,896 |
| Camping revenue | 1,070,348 | - | - | 1,070,348 | 1,139,074 | - | - | 1,139,074 |
| Activity revenue | 375,581 | - | - | 375,581 | 149,513 | - | - | 149,513 |
| Other revenue | 65,199 | - | 21,787 | 86,986 | 55,257 | - | 7 | 55,264 |
| Total Revenue | <u>2,436,541</u> | <u>-</u> | <u>425,792</u> | <u>2,862,333</u> | <u>2,020,906</u> | <u>-</u> | <u>206,559</u> | <u>2,227,465</u> |
| Net assets released from restrictions | <u>18,331</u> | <u>-</u> | <u>104,945</u> | <u>123,276</u> | <u>23,061</u> | <u>-</u> | <u>-</u> | <u>23,061</u> |
| Total Public Support and Revenue | <u>3,316,985</u> | <u>12,000</u> | <u>549,356</u> | <u>3,878,341</u> | <u>2,706,122</u> | <u>3,368</u> | <u>206,559</u> | <u>2,916,049</u> |
| EXPENSES | | | | | | | | |
| Program services | 2,555,880 | 449,395 | - | 3,005,275 | 2,500,159 | 369,790 | - | 2,869,949 |
| Management and general | 240,534 | 10,397 | - | 250,931 | 314,063 | 13,205 | - | 327,268 |
| Fundraising | 455,024 | 13,368 | - | 468,392 | 399,485 | 10,272 | - | 409,757 |
| Total Functional Expenses | <u>3,251,438</u> | <u>473,160</u> | <u>-</u> | <u>3,724,598</u> | <u>3,213,707</u> | <u>393,267</u> | <u>-</u> | <u>3,606,974</u> |
| Charter and national service fees | <u>35,491</u> | <u>-</u> | <u>-</u> | <u>35,491</u> | <u>34,662</u> | <u>-</u> | <u>-</u> | <u>34,662</u> |
| Total Expenses | <u>3,286,929</u> | <u>473,160</u> | <u>-</u> | <u>3,760,089</u> | <u>3,248,369</u> | <u>393,267</u> | <u>-</u> | <u>3,641,636</u> |
| Change in Unrestricted Net Assets | <u>\$ 30,056</u> | <u>\$(461,160)</u> | <u>\$ 549,356</u> | <u>\$ 118,252</u> | <u>\$ (542,247)</u> | <u>\$(389,899)</u> | <u>\$ 206,559</u> | <u>\$ (725,587)</u> |

See notes to consolidated financial statements

Westchester-Putnam Council, Inc.
Boy Scouts of America

Consolidated Statements of Changes in Net Assets (*continued*)

| | Year Ended December 31, 2017 | | | | Year Ended December 31, 2016 | | | |
|---|------------------------------|-----------------|----------------------|----------------------|------------------------------|-----------------|----------------------|------------------------|
| | Operating Fund | Capital Fund | Endowment Fund | Total All Funds | Operating Fund | Capital Fund | Endowment Fund | Total All Funds |
| Changes in Temporarily Restricted Net Assets | | | | | | | | |
| PUBLIC SUPPORT AND REVENUE | | | | | | | | |
| Direct Support | | | | | | | | |
| Friends of Scouting contributions | \$ 130,821 | \$ - | \$ - | \$ 130,821 | \$ 3,493 | \$ - | \$ - | \$ 3,493 |
| Capital campaign | - | - | - | - | - | - | 1,053 | 1,053 |
| Special event sponsorships | 63,295 | - | - | 63,295 | - | - | - | - |
| Other direct support | <u>111,697</u> | - | - | <u>111,697</u> | - | - | - | - |
| Total Direct Support | 305,813 | - | - | 305,813 | 3,493 | - | 1,053 | 4,546 |
| Revenue | | | | | | | | |
| Investment income | - | - | <u>143,643</u> | <u>143,643</u> | - | - | - | - |
| Total revenue support | - | - | 143,643 | 143,643 | - | - | - | - |
| Total Public Support and Revenue | 305,813 | - | 143,643 | 449,456 | 3,493 | - | 1,053 | 4,546 |
| Net assets released from restrictions | <u>(18,331)</u> | - | <u>(129,945)</u> | <u>(148,276)</u> | <u>(23,061)</u> | - | - | <u>(23,061)</u> |
| Change in Temporarily Restricted Net Assets | <u>\$287,482</u> | <u>\$ -</u> | <u>\$ 13,698</u> | <u>\$301,180</u> | <u>\$ (19,568)</u> | <u>\$ -</u> | <u>\$ 1,053</u> | <u>\$ (18,515)</u> |
| Changes in Permanently Restricted Net Assets | | | | | | | | |
| PUBLIC SUPPORT AND REVENUE | | | | | | | | |
| Direct Support | | | | | | | | |
| Other direct support | \$ - | \$ - | <u>\$ 52,842</u> | <u>\$ 52,842</u> | \$ - | \$ - | <u>\$ 17,300</u> | <u>\$ 17,300</u> |
| Total Public Support and Revenue | - | - | <u>52,842</u> | <u>52,842</u> | - | - | <u>17,300</u> | <u>17,300</u> |
| Change in donor restriction | - | - | <u>25,000</u> | <u>25,000</u> | - | - | - | - |
| Change in Permanently Restricted Net Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 77,842</u> | <u>\$ 77,842</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,300</u> | <u>\$ 17,300</u> |

See notes to consolidated financial statements

Westchester-Putnam Council, Inc.
Boy Scouts of America

Consolidated Statements of Changes in Net Assets *(continued)*

| | Year Ended December 31, 2017 | | | | Year Ended December 31, 2016 | | | |
|--|------------------------------|---------------------|---------------------|----------------------|------------------------------|---------------------|---------------------|----------------------|
| | Operating Fund | Capital Fund | Endowment Fund | Total All Funds | Operating Fund | Capital Fund | Endowment Fund | Total All Funds |
| Net Assets, Beginning of Year | | | | | | | | |
| Unrestricted | \$ (323,279) | \$ 5,864,380 | \$ 5,819,318 | \$ 11,360,419 | \$ 245,103 | \$ 6,010,869 | \$ 5,830,034 | \$ 12,086,006 |
| Temporarily restricted | 12,997 | - | 130,779 | 143,776 | 32,565 | - | 129,726 | 162,291 |
| Permanently restricted | - | - | 3,514,767 | 3,514,767 | - | - | 3,497,467 | 3,497,467 |
| Total Net Assets, Beginning of Year | <u>(310,282)</u> | <u>5,864,380</u> | <u>9,464,864</u> | <u>15,018,962</u> | <u>277,668</u> | <u>6,010,869</u> | <u>9,457,227</u> | <u>15,745,764</u> |
| Change in | | | | | | | | |
| Unrestricted net assets (page 3) | 30,056 | (461,160) | 549,356 | 118,252 | (542,247) | (389,899) | 206,559 | (725,587) |
| Temporarily restricted net assets (page 4) | 287,482 | - | 13,698 | 301,180 | (19,568) | - | 1,053 | (18,515) |
| Permanently restricted net assets (page 4) | - | - | 77,842 | 77,842 | - | - | 17,300 | 17,300 |
| Change in Net Assets Before Transfers | 317,538 | (461,160) | 640,896 | 497,274 | (561,815) | (389,899) | 224,912 | (726,802) |
| Transfers | <u>(13,310)</u> | <u>141,579</u> | <u>(128,269)</u> | <u>-</u> | <u>(26,135)</u> | <u>243,410</u> | <u>(217,275)</u> | <u>-</u> |
| Change in Net Assets | <u>304,228</u> | <u>(319,581)</u> | <u>512,627</u> | <u>497,274</u> | <u>(587,950)</u> | <u>(146,489)</u> | <u>7,637</u> | <u>(726,802)</u> |
| Net Assets, End of Year | | | | | | | | |
| Unrestricted | (306,533) | 5,544,799 | 6,240,405 | 11,478,671 | (323,279) | 5,864,380 | 5,819,318 | 11,360,419 |
| Temporarily restricted | 300,479 | - | 144,477 | 444,956 | 12,997 | - | 130,779 | 143,776 |
| Permanently restricted | - | - | 3,592,609 | 3,592,609 | - | - | 3,514,767 | 3,514,767 |
| Total Net Assets, End of Year | <u>\$ (6,054)</u> | <u>\$ 5,544,799</u> | <u>\$ 9,977,491</u> | <u>\$ 15,516,236</u> | <u>\$ (310,282)</u> | <u>\$ 5,864,380</u> | <u>\$ 9,464,864</u> | <u>\$ 15,018,962</u> |

Westchester-Putnam Council, Inc.
Boy Scouts of America

Consolidated Statements of Functional Expenses

| | Year Ended December 31, 2017 | | | | | Year Ended December 31, 2016 | | | | |
|--|------------------------------|-------------------------|------------------|------------------------------|--------------------|------------------------------|-------------------------|------------------|------------------------------|--------------------|
| | Program Services | Support Services | | | Total Expenses | Program Services | Support Services | | | Total Expenses |
| | | Management & General | Fundraising | Total Support Services | | | Management & General | Fundraising | Total Support Services | |
| EMPLOYEE COMPENSATION | | | | | | | | | | |
| Salaries | \$1,054,475 | \$115,072 | \$147,950 | \$263,022 | \$1,317,498 | \$1,180,187 | \$170,053 | \$132,263 | \$302,316 | \$1,482,503 |
| Employee benefits | 143,239 | 21,630 | 27,810 | 49,440 | 192,679 | 150,030 | 31,824 | 24,751 | 56,575 | 206,605 |
| Payroll taxes | 109,124 | 10,439 | 13,421 | 23,860 | 132,984 | 113,920 | 15,613 | 12,141 | 27,754 | 141,674 |
| Employee related expense | 19,980 | 2,641 | 3,396 | 6,037 | 26,016 | 11,021 | 2,388 | 1,858 | 4,246 | 15,267 |
| Total Employee Compensation | <u>1,326,818</u> | <u>149,782</u> | <u>192,577</u> | <u>342,359</u> | <u>1,669,177</u> | <u>1,455,158</u> | <u>219,878</u> | <u>171,013</u> | <u>390,891</u> | <u>1,846,049</u> |
| OTHER EXPENSES | | | | | | | | | | |
| Professional fees | 13,126 | 42,827 | 186,224 | 229,051 | 242,177 | 12,689 | 29,497 | 109,209 | 138,706 | 151,395 |
| Supplies | 661,592 | 4,274 | 15,049 | 19,323 | 680,915 | 460,764 | 4,115 | 19,444 | 23,559 | 484,323 |
| Telephone | 21,043 | 2,803 | 3,603 | 6,406 | 27,449 | 24,963 | 4,076 | 3,170 | 7,246 | 32,209 |
| Postage and shipping | 9,439 | 1,747 | 2,246 | 3,993 | 13,432 | 7,424 | 1,648 | 1,281 | 2,929 | 10,353 |
| Occupancy | 248,817 | 8,194 | 10,535 | 18,729 | 267,546 | 173,950 | 7,929 | 6,168 | 14,097 | 188,047 |
| Rent and maintenance of equipment | 44,015 | 4,806 | 6,180 | 10,986 | 55,001 | 52,674 | 5,683 | 4,421 | 10,104 | 62,778 |
| Printing and publications | 9,316 | 1,478 | 1,900 | 3,378 | 12,694 | 10,359 | 1,474 | 1,146 | 2,620 | 12,979 |
| Travel | 56,300 | 3,905 | 5,020 | 8,925 | 65,225 | 62,261 | 6,239 | 4,851 | 11,090 | 73,351 |
| Conferences and meetings | 19,695 | 1,632 | 2,098 | 3,730 | 23,425 | 21,854 | 4,540 | 3,531 | 8,071 | 29,925 |
| Specific assistance to individuals | 38,263 | 1,754 | 2,255 | 4,009 | 42,272 | 66,311 | 8,061 | 6,270 | 14,331 | 80,642 |
| Recognition awards | 9,897 | 29 | 37 | 66 | 9,963 | 4,505 | - | - | - | 4,505 |
| Interest expense | 21,984 | 4,526 | 5,819 | 10,345 | 32,329 | 6,568 | 1,740 | 1,352 | 3,092 | 9,660 |
| Insurance | 141,090 | 9,439 | 12,135 | 21,574 | 162,664 | 133,391 | 12,498 | 9,722 | 22,220 | 155,611 |
| Other expenses | 41,264 | 5,893 | 12,632 | 18,525 | 59,789 | 49,565 | 9,406 | 60,024 | 69,430 | 118,995 |
| Total Other Expenses | <u>1,335,841</u> | <u>93,307</u> | <u>265,733</u> | <u>359,040</u> | <u>1,694,881</u> | <u>1,087,278</u> | <u>96,906</u> | <u>230,589</u> | <u>327,495</u> | <u>1,414,773</u> |
| Expenses before Depreciation | 2,662,659 | 243,089 | 458,310 | 701,399 | 3,364,058 | 2,542,436 | 316,784 | 401,602 | 718,386 | 3,260,822 |
| Depreciation of buildings and equipment | <u>342,616</u> | <u>7,842</u> | <u>10,082</u> | <u>17,924</u> | <u>360,540</u> | <u>327,513</u> | <u>10,484</u> | <u>8,155</u> | <u>18,639</u> | <u>346,152</u> |
| Total Functional Expenses | <u>\$3,005,275</u> | <u>\$250,931</u> | <u>\$468,392</u> | <u>\$719,323</u> | <u>\$3,724,598</u> | <u>\$2,869,949</u> | <u>\$327,268</u> | <u>\$409,757</u> | <u>\$737,025</u> | <u>\$3,606,974</u> |

See notes to consolidated financial statements

Westchester-Putnam Council, Inc.
Boy Scouts of America

Consolidated Statements of Cash Flows

| | Year Ended December 31, 2017 | | | | Year Ended December 31, 2016 | | | |
|---|------------------------------|------------------|--------------------|-------------------|------------------------------|-----------------|------------------|-------------------|
| | Operating Fund | Capital Fund | Endowment Fund | Total All Funds | Operating Fund | Capital Fund | Endowment Fund | Total All Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Change in net assets | \$ 304,228 | \$(319,581) | \$ 512,627 | \$ 497,274 | \$ (587,950) | \$(146,489) | \$ 7,637 | \$ (726,802) |
| Adjustments to reconcile change in net assets to net cash from operating activities | | | | | | | | |
| Depreciation | - | 360,540 | - | 360,540 | - | 346,152 | - | 346,152 |
| Gain on investments | - | - | (1,224,262) | (1,224,262) | - | - | (607,862) | (607,862) |
| Contributions restricted for long-term use | - | - | (52,842) | (52,842) | - | - | (18,353) | (18,353) |
| Change in beneficial interest in gift annuity | - | - | (1,205) | (1,205) | - | - | 401 | 401 |
| Changes in operating assets and liabilities | | | | | | | | |
| Receivables | (285,907) | - | 35,750 | (250,157) | 75,990 | 4,068 | 4,223 | 84,281 |
| Inventory | (5,815) | - | - | (5,815) | (12,439) | - | - | (12,439) |
| Prepaid and deferred activity expense | 105,535 | - | - | 105,535 | (76,095) | - | - | (76,095) |
| Interfund accounts | 472,010 | 100,813 | (572,823) | - | 124,727 | (123,704) | (1,023) | - |
| Accounts payable and accrued expenses | (225,736) | 31,892 | - | (193,844) | 207,038 | 120 | - | 207,158 |
| Custodial accounts | 89,747 | - | - | 89,747 | 18,998 | - | - | 18,998 |
| Deferred income and other liabilities | (102,784) | - | - | (102,784) | 91,526 | - | - | 91,526 |
| Net Cash from Operating Activities | <u>351,278</u> | <u>173,664</u> | <u>(1,302,755)</u> | <u>(777,813)</u> | <u>(158,205)</u> | <u>80,147</u> | <u>(614,977)</u> | <u>(693,035)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Sale of investments | - | - | 1,458,767 | 1,458,767 | - | - | 1,725,817 | 1,725,817 |
| Purchase of investments | - | - | (194,914) | (194,914) | - | - | (1,127,633) | (1,127,633) |
| Capital acquisitions | - | (18,096) | - | (18,096) | - | (29,458) | - | (29,458) |
| Net Cash from Investing Activities | <u>-</u> | <u>(18,096)</u> | <u>1,263,853</u> | <u>1,245,757</u> | <u>-</u> | <u>(29,458)</u> | <u>598,184</u> | <u>568,726</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Repayment of loans | - | (60,910) | - | (60,910) | - | (63,311) | - | (63,311) |
| Borrowings on loan payable | 8,000 | - | - | 8,000 | 67,000 | - | - | 67,000 |
| Contributions restricted for endowments | - | - | 52,842 | 52,842 | - | - | 18,353 | 18,353 |
| Net Cash from Financing Activities | <u>8,000</u> | <u>(60,910)</u> | <u>52,842</u> | <u>(68)</u> | <u>67,000</u> | <u>(63,311)</u> | <u>18,353</u> | <u>22,042</u> |
| Net Change in Cash and Cash Equivalents | 359,278 | 94,658 | 13,940 | 467,876 | (91,205) | (12,622) | 1,560 | (102,267) |
| CASH AND CASH EQUIVALENTS | | | | | | | | |
| Beginning of year | <u>356,013</u> | <u>1,415</u> | <u>4,881</u> | <u>362,309</u> | <u>447,218</u> | <u>14,037</u> | <u>3,321</u> | <u>464,576</u> |
| End of year | <u>\$ 715,291</u> | <u>\$ 96,073</u> | <u>\$ 18,821</u> | <u>\$ 830,185</u> | <u>\$ 356,013</u> | <u>\$ 1,415</u> | <u>\$ 4,881</u> | <u>\$ 362,309</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION | | | | | | | | |
| Cash paid during year for interest | \$ - | \$ 10,542 | \$ - | \$ 10,542 | \$ - | \$ 9,660 | \$ - | \$ 9,660 |
| Acquisition and financing of equipment | - | - | - | - | - | 156,000 | - | 156,000 |
| See notes to consolidated financial statements | | | | | | | | |

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

1. Organization

The Westchester-Putnam Council, Inc., Boy Scouts of America (the "Council") operates in the counties of Westchester and Putnam, New York. The Council has two camping facilities, Durland Scout Reservation and Curtis S. Read Scout Reservation. The Council is a not-for-profit organization devoted to promoting, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys, young men and women to do things for themselves and others, training them in Scoutcraft and teaching them patriotism, courage, and self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America.

The Council's programs are classified as follows:

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

Cub Scouts – 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.

Boy Scouting – With the Scout Oath and Scout Law as guides, and the support of parents and religious and neighborhood organizations, Scouts develop an awareness and appreciation of their role in their community and become well-rounded young men through the advancement of the program. Scouts progress in rank through achievements, gain additional knowledge and responsibilities and earn merit badges that introduce a lifelong hobby or a rewarding career.

Varsity Scouting – Program for young men ages 14-17 that provides options for those who are looking for rugged high adventure or challenging sporting activities and still want to be a part of a Scouting program that offers the advancement opportunities and values of the Boy Scouts of America. There are five fields of emphasis, including high adventure/sports, personal development, service and special programs and events.

Venturing – Provides experience 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 program.

Learning for Life – Program to enable young people to become responsible individuals by teaching positive character traits, career development, leadership, and life skills so that they can make ethical choices and achieve their full potential.

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Council has voting control and an economic interest in Trust Funds (identified below) which results in the accounts of the Trust Funds being consolidated with those of the Council in the accompanying consolidated financial statements. All intercompany transactions have been eliminated in consolidation. The Council and the Trust Funds are herein referred to as the Organization.

Financial Statement Presentation

To ensure observance of limitations and restrictions placed on the use of available resources, the Organization's accounts 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.

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the standards for not-for-profit organizations. Under U.S. GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Trust Funds

The Council is trustee under three different Trust Funds which are included in the endowment fund. Descriptions of the funds are as follows:

Fund A – Council:

Fund A was formed in 1974 with distributions designated to support the Council's administrative and operating expenses.

Fund B – Camping:

Fund B was established in 1994 with distributions designated to support camping operations and capital improvements.

Durland Fund:

The Durland Fund was established in 1982 with distributions designated for the support of Camp Durland, a.k.a. Durland Scout Reservation and other uses as determined by the Executive Board.

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

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 certain reported amounts and disclosures. Accordingly, 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.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase and which are utilized for operations to be cash equivalents.

Inventory

Inventory consists of Scouting and other items available for resale and is stated at the lower of cost or market. Cost is determined using the average cost method.

Fair Value Measurements of Financial Instruments

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 assets have the highest reliability and include assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable data. Level 3 inputs are unobservable and are used to the extent that observable inputs do not exist.

The Organization follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

Investments and Income

Investments are carried at fair value. The fair value of alternative investments has been estimated using the NAV as reported by the management of the respective alternative investment fund. Purchases and sales of securities are recorded on a trade-date basis. The realized and unrealized gains and losses are included in the change in net assets in the consolidated statements of changes in net assets.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific known troubled accounts.

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Land, Buildings, and Equipment, and Depreciation

Land, buildings, and equipment are stated at cost or, if acquired by gift, at estimated fair value at the date of the gift. Construction in progress represents costs incurred on the construction of assets that have not been completed or placed in service as of the end of the year. The Council capitalizes expenditures for buildings, improvements, equipment, etc. with a cost in excess of \$1,000. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

| <u>Category</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Land improvements | 10-35 |
| Buildings | 5-35 |
| Furniture, fixtures and equipment | 5 |
| Motor vehicles | 3-5 |

Impairment of Long-Lived Assets

The Council reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated undiscounted future cash flows from the use of the asset is less than the carrying amount of that asset. The Council has not recognized any impairment of long-lived assets during 2017 and 2016.

Contributions

Pledges receivable for contributions are recognized upon notification of a donor's unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated cash flows. The discount recorded is computed using discount factors that approximate the risk and expected timing of future contribution payments. The discount is amortized to contribution revenue over the estimated collection period.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated statements of changes in net assets as assets released from restrictions.

Deferred Income

Deferred income consists of monies received for camping and other activities which will be held in future years. The income is recognized when the activity takes place.

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Donated Materials and Services

Noncash donations are recorded as contributions at their fair value as of the date of donation. The Organization reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used.

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

Functional Expenses

The Council allocates its expenses on a functional basis among its program and supporting services based primarily on time study estimates. Costs that are not directly associated with providing specific services have been allocated based upon 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 fee to the National Council is not allocated as a functional expense.

Income Taxes

The Council and Trust Funds are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code") as charitable organizations whereby only unrelated business income, as defined by section 509(a)(1) of the Code, is subject to federal income tax. The Council and Trust Funds currently have no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is May 15, 2018.

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

3. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. Cash held in financial institutions may exceed the federal depository insurance coverage limits during the year. Investments are exposed to various risks such as world events, and interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value will occur in the near term and that such changes could materially affect the amounts in the consolidated statement of financial position.

4. Receivables

Pledges receivable consisted of the following as of December 31:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------------|-------------------|------------------|
| Friends of Scouting | \$ 147,372 | \$ 25,551 |
| Vision with a Purpose | 114,697 | - |
| Second Century Campaign | 750 | 39,501 |
| Special event sponsorships | 63,295 | - |
| Less allowance for doubtful accounts | <u>-</u> | <u>(4,622)</u> |
| | <u>\$ 326,114</u> | <u>\$ 60,430</u> |

Pledges receivable are scheduled to be collected as follows as of December 31:

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|------------------|
| Pledges receivable in less than one year | \$ 102,809 | \$ 65,052 |
| Pledges receivable in one to five years | <u>246,000</u> | <u>-</u> |
| Total Pledges Receivable | 348,809 | 65,052 |
| Discount to present value | (22,695) | - |
| Allowance for doubtful accounts | <u>-</u> | <u>(4,622)</u> |
| | <u>\$ 326,114</u> | <u>\$ 60,430</u> |

Pledges receivable scheduled to be collected in more than one year were discounted using a rate of 5% as of December 31, 2017.

Other receivables consisted of the following as of December 31:

| | <u>2017</u> | <u>2016</u> |
|--|------------------|------------------|
| Popcorn sales and various camping fees | \$ 24,736 | \$ 39,765 |
| Employee advances | <u>-</u> | <u>498</u> |
| | <u>\$ 24,736</u> | <u>\$ 40,263</u> |

Bad debt expense totaled \$4,919 and \$52,711 in 2017 and 2016 and is reflected in other expenses in the consolidated statement of functional expenses.

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

5. Investments

The assets of the Trust Funds are managed so as to provide the highest total return consistent with prudent investment practices, providing for long-term returns sufficient to cover the return requirements of the spending formula. The investment policy is intended to allow for sufficient flexibility in the management process to capture investment opportunities, yet provide parameters that will ensure prudence and care in the execution of the investment program.

The Organization's spending policy allows the operating fund to receive and recognize investment earnings originating from the Endowment Fund. Budgeted needs are planned from a total return spending formula targeted at not more than five percent multiplied by the average market value for the twelve contiguous calendar quarters ending September 30th of the year preceding the subject fiscal year.

Investments at fair value categorized by the fair value hierarchy consisted of the following as of December 31:

| | 2017 | 2016 |
|--|---------------------|---------------------|
| BSA Commingled Endowment Fund, L.P. measured at NAV | <u>\$ 9,366,996</u> | <u>\$ 9,406,587</u> |

BSA Commingled Endowment Fund, L.P. ("BSA Fund") - Investments held by the BSA Fund are valued by the custodian at fair value based on the closing price for securities listed on a securities exchange, the closing bid or ask price for over-the-counter securities not listed on a securities exchange, or at cost or obtained from an independent pricing service for securities not listed or traded on any exchange or on the over-the-counter market. The custodian of the investments in the BSA Fund also has the ability to determine the fair value of securities not listed or traded on any exchange or on the over-the-counter market based on available information. The BSA Fund is valued at the number of units held by the Organization's unit value. The objective of the fund is to invest in fixed income, equity, and other securities for the purpose of generating investment returns for the partners. The partnership agreement provides that any partner may request a withdrawal of all or any portion of their capital account once each month.

Investment income is summarized as follows for the years ended December 31:

| | 2017 | 2016 |
|-------------------------|---------------------|-------------------|
| Interest and dividends | \$ 157,654 | \$ 176,007 |
| Net gain on investments | 1,224,262 | 607,862 |
| Investment expenses | (48,264) | (40,973) |
| | <u>\$ 1,333,652</u> | <u>\$ 742,896</u> |

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

6. Land, Buildings and Equipment

Land, buildings and equipment are summarized as follows as of December 31:

| | 2017 | 2016 |
|-----------------------------------|---------------------|---------------------|
| Land | | |
| Council Headquarters | \$ 250,000 | \$ 250,000 |
| Durland Scout Reservation | 939,432 | 939,432 |
| Curtis S. Read Scout Reservation | 171,698 | 171,698 |
| Cortland | 2,875 | 2,875 |
| Land Improvements | | |
| Durland Scout Reservation | 104,698 | 104,698 |
| Curtis S. Read Scout Reservation | 475,513 | 475,513 |
| Buildings | | |
| Council Headquarters | 1,220,583 | 1,220,583 |
| Durland Scout Reservation | 3,742,056 | 3,742,056 |
| Curtis S. Read Scout Reservation | 2,668,928 | 2,668,928 |
| Furniture, fixtures and equipment | 753,189 | 735,281 |
| Motor vehicles | 752,569 | 747,768 |
| Construction in progress | - | 4,612 |
| | 11,081,541 | 11,063,444 |
| Less accumulated depreciation | 5,419,253 | 5,058,712 |
| | <u>\$ 5,662,288</u> | <u>\$ 6,004,732</u> |

7. Loan Payable

In March 2016, the Council entered into a revolving line of credit loan agreement to borrow up to \$250,000. The loan bears interest at a variable rate and matures on May 16, 2018. Interest rate at December 31, 2017 was 3.5%. The line is secured by the assets of the Council. The amount owed by the Council under this line of credit was \$75,000 and \$67,000 at December 31, 2017 and 2016.

In February 2017, the Trust Management Committee approved a loan in the amount of \$500,000 from the Durland Trust Fund to the Council's Operating Fund. The loan shall accrue interest at the rate of 5%, payable at maturity, which shall be the earlier of the securing unrestricted contributions in excess of \$500,000 or thirty-six months from the date of the resolution. The loan is reflected in the Interfund accounts in the consolidated statement of financial position and includes accrued interest totaling \$21,787 at December 31, 2017.

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

8. Notes Payable

Notes payable of the Capital Fund at December 31, 2017 and 2016 consist of various vehicle loans with interest rates varying from 0% to 4.24% per annum.

Maturities of notes payable are as follows for the years ending December 31:

| | |
|------|-------------------|
| 2018 | \$ 53,185 |
| 2019 | 45,081 |
| 2020 | 39,869 |
| 2021 | 35,294 |
| 2022 | <u>14,991</u> |
| | <u>\$ 188,420</u> |

9. Endowment Funds

The Organization maintains various donor-restricted and board-designated funds whose purpose is to provide long-term support for its charitable programs. In classifying such funds for financial statement purposes as either permanently restricted, temporarily restricted or unrestricted net assets, the Executive Board looks to explicit directions of the donor where applicable and the provisions of the laws of the New York State Uniform Prudent Management of Institutional Funds Act (“NYPMIFA”). NYPMIFA includes provisions that differ from previous law, including the elimination of the historic dollar value rule with respect to endowment spending, establishment of new standards governing the expenditure and modification of restrictions on endowment funds and revision of the prudence standard for the management and investment of endowment funds.

Endowment Fund activity is summarized as follows for the year ended December 31, 2017:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|-------------------------------------|---------------------|---------------------------|---------------------------|---------------------|
| Net investments * - beginning | \$ 5,819,318 | \$ 110,779 | \$ 3,482,457 | \$ 9,412,554 |
| Contributions | 18,619 | - | 51,637 | 70,256 |
| Pledges receivable collected | - | 20,000 | 15,750 | 35,750 |
| Interest and dividends, net of fees | 81,102 | 50,077 | - | 131,179 |
| Capital appreciation | 756,901 | 467,361 | - | 1,224,262 |
| Appropriation for expenditures | (485,949) | (300,057) | - | (786,006) |
| Transfers | (23,324) | (129,945) | 25,000 | (128,269) |
| Reclass of excess expenditures | <u>73,738</u> | <u>(73,738)</u> | - | - |
| Net investments - ending | 6,240,405 | 144,477 | 3,574,844 | 9,959,726 |
| Pledge receivable | - | - | 750 | 750 |
| Beneficial interest in gift annuity | - | - | <u>17,015</u> | <u>17,015</u> |
| Net assets - end of year | <u>\$ 6,240,405</u> | <u>\$ 144,477</u> | <u>\$ 3,592,609</u> | <u>\$ 9,977,491</u> |

Westchester-Putnam Council, Inc.
Boy Scouts of America

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

9. Endowment Funds (continued)

Endowment fund activity is summarized as follows for the year ended December 31, 2016:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|-------------------------------------|---------------------|-----------------------------------|-----------------------------------|---------------------|
| Net investments * - beginning | \$ 5,830,034 | \$ 89,003 | \$ 3,481,256 | \$ 9,400,293 |
| Contributions | - | 1,783 | - | 1,783 |
| Pledges receivable collected | - | 20,000 | 1,201 | 21,201 |
| Interest and dividends, net of fees | 83,748 | 51,287 | - | 135,035 |
| Capital depreciation | 376,994 | 230,868 | - | 607,862 |
| Appropriation for expenditures | (332,640) | (203,705) | - | (536,345) |
| Transfers | (217,275) | - | - | (217,275) |
| Reclass of excess expenditures | <u>78,457</u> | <u>(78,457)</u> | - | - |
| Net investments - ending | 5,819,318 | 110,779 | 3,482,457 | 9,412,554 |
| Pledges receivable | - | 20,000 | 16,500 | 36,500 |
| Beneficial interest in gift annuity | - | - | <u>15,810</u> | <u>15,810</u> |
| Net assets - end of year | <u>\$ 5,819,318</u> | <u>\$ 130,779</u> | <u>\$ 3,514,767</u> | <u>\$ 9,464,864</u> |

* Including Endowment Fund cash and inter-fund accounts

10. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31:

| | <u>2017</u> | <u>2016</u> |
|-------------------------------------|-------------------|-------------------|
| Friends of Scouting | \$ 125,487 | \$ 9,997 |
| Capital and Endowment projects | - | 125,833 |
| Special Events | 63,295 | - |
| Vision With A Purpose | 111,697 | - |
| Programs | - | 7,946 |
| Endowment earnings not appropriated | <u>144,477</u> | - |
| | <u>\$ 444,956</u> | <u>\$ 143,776</u> |

Net assets released from restrictions were as follows for the years ended December 31:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------|-------------------|------------------|
| Friends of Scouting | \$ 15,331 | \$ 20,061 |
| Capital and Endowment projects | 129,945 | - |
| Programs | <u>3,000</u> | <u>3,000</u> |
| | <u>\$ 148,276</u> | <u>\$ 23,061</u> |

**Westchester-Putnam Council, Inc.
Boy Scouts of America**

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

11. Permanently Restricted Net Assets

Permanently restricted net assets consist of Endowment Fund assets to be held in perpetuity pursuant to donor restrictions. Generally, the income from the assets can be used to support the Council’s general activities; however, a certain portion of the income is restricted to specific uses pursuant to donor restrictions.

Permanently restricted net assets are available for the following purposes at December 31:

| | 2017 | 2016 |
|---|--------------|--------------|
| Permanent endowment, with earnings restricted for various programs and purposes | \$ 220,218 | \$ 185,218 |
| Permanent endowment, with no restrictions on the use of income | 3,372,391 | 3,329,549 |
| | \$ 3,592,609 | \$ 3,514,767 |

12. 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 Westchester-Putnam Council, Inc. Boy Scouts of America. The plan name is the *Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees* and covers all employees who have completed one year of service and who have agreed to make contributions. Eligible employees contribute 2 percent of compensation, and the Council contributes an additional 7 percent to the plan. Pension expense (excluding employees’ contributions) for 2017 and 2016 was \$51,323 and \$71,528, respectively, and covered current service costs. The actuarial information for the plan as of February 1, 2015 indicates that it is in compliance with ERISA regulations regarding funding.

Thrift Plan

The Council has established a Thrift Plan covering substantially all 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 compensation. The Council contributed \$14,920 and \$11,917 to the Thrift Plan in 2017 and 2016.

Healthcare Plan

The Council’s employees participate in a healthcare plan provided by the National Council. The Council pays a portion for the employees, and the employees pay the remaining cost for any of their dependents participating in the plan. Healthcare expense incurred by the Council for 2017 and 2016 was \$74,539 and \$103,947.

**Westchester-Putnam Council, Inc.
Boy Scouts of America**

Notes to Consolidated Financial Statements
December 31, 2017 and 2016

13. Special Events, Sale of Supplies and Product Sales

The Council conducted various special events during 2017 and 2016 that focused on industry related dinners, golf, and shooting events. Net revenue from these events was as follows for the years ended December 31:

| | 2017 | 2016 |
|---|------------|------------|
| Gross revenue | \$ 202,578 | \$ 397,159 |
| Direct expense | (53,638) | (107,772) |
| Special Events, Net of Direct Benefit Costs | \$ 148,940 | \$ 289,387 |

Sales of products that the Boy Scouts sell as a fundraiser were as follows for the years ended December 31:

| | 2017 | 2016 |
|--|------------|------------|
| Gross sales of products | \$ 401,026 | \$ 436,324 |
| Unit commissions | (132,025) | (147,460) |
| Direct costs | (129,592) | (148,146) |
| Sale of Products, Net of Cost of Sales | \$ 139,409 | \$ 140,718 |

14. Scout Shop

The Council outsources its Hawthorne Scout Shop operations to the National Council. The Council receives 8% of gross sales as rent which amounted to \$54,598 and \$51,807 in 2017 and 2016. This is reported within other revenue in the consolidated statements of changes in net assets.

* * * * *