WIPFLI

Greater Los Angeles Area Council, Scouting America

Financial Statements

Years Ended December 31, 2025 and 2024

WIPFLI

Independent Auditor's Report

Board of Directors
Greater Los Angeles Area Council, Scouting America
Los Angeles, California

Opinion

We have audited the accompanying financial statements (the ''financial statements'') of Greater Los Angeles Area Council, Scouting America (the "Council"), a nonprofit organization, which comprise the accompanying statements of financial position as of December 31, 2025 and 2024, and the related accompanying statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Greater Los Angeles Area Council, Scouting America as of December 31, 2025 and 2024, and the 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 (''GAAP'').

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Los Angeles Area Council, Scouting America and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Correction of Error

As discussed in Note 19 to the financial statements, certain errors resulting in understatements of accounts receivable and releases of net assets, were discovered by management of the Council during the current year. Accordingly, amounts for accounts receivable and releases of restrictions have been restated in the 2024 financial statements now presented, and adjustments have been made to net assets as of December 31, 2024 to correct the errors. Our opinion is not modified in respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Los Angeles Area Council, Scouting America's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Wipfli LLP

Wipfli LLP

Duluth, Minnesota
May 21, 2026

Greater Los Angeles Area Council
Scouting America
Statements of Financial Position
December 31, 2025 and 2024

Assets	Operating Fund 2025	Operating Fund 2024 as restated	Capital Fund 2025	Capital Fund 2024 as restated	Endowment Fund 2025	Endowment Fund 2024	Total 2025	Total 2024 as restated
Current assets:								
Cash and cash equivalents	$ 67,412	$ 262,744	$ 282,800	$ 759,517	$ 18,653	$ 318,513	$ 368,865	$ 1,340,774
Accounts receivable - Net	25,264	193,044	-	-	-	-	25,264	193,044
Contributions receivable - Net	193,580	20,250	-	-	-	-	193,580	20,250
Inventory	342,075	366,718	-	-	-	-	342,075	366,718
Prepaid expenses	92,659	123,458	-	-	-	-	92,659	123,458
Land held for sale	-	-	155,746	155,746	-	-	155,746	155,746
Interfund loan	(250,000)	-	-	-	250,000	-	-	-
Total current assets	470,990	966,214	438,546	915,263	268,653	318,513	1,178,189	2,199,990
Property and equipment - Net	-	-	20,657,381	22,208,980	-	-	20,657,381	22,208,980
Right-of-use (ROU) asset - operating leases	30,951	90,687	-	-	-	-	30,951	90,687
Right-of-use (ROU) asset - finance leases	-	38,223	-	-	-	-	-	38,223
Other assets:								
Investments	-	-	-	-	24,234,951	22,104,197	24,234,951	22,104,197
Beneficial interest in perpetual trusts	-	-	-	-	3,208,213	2,645,096	3,208,213	2,645,096
Beneficial interest in charitable remainder trust	-	-	-	-	227,579	190,305	227,579	190,305
Gift annuities receivable	-	-	-	-	42,335	42,335	42,335	42,335
Unemployment trust	114,081	105,689	-	-	-	-	114,081	105,689
Total other assets	114,081	105,689	-	-	27,713,078	24,981,933	27,827,159	25,087,622
TOTAL ASSETS	$ 616,022	$ 1,200,813	$ 21,095,927	$ 23,124,243	$ 27,981,731	$ 25,300,446	$ 49,693,680	$ 49,625,502

Liabilities and Net Assets	Operating Fund 2025	Operating Fund 2024 as restated	Capital Fund 2025	Capital Fund 2024	Endowment Fund 2025	Endowment Fund 2024	Total 2025	Total 2024 as restated
Current liabilities:								
Accounts payable	$ 45,725	$ 123,242	$ 1,768	$ 24,097	$ -	$ -	$ 47,493	$ 147,339
Accrued expenses	242,670	181,366	-	-	-	-	242,670	181,366
Custodial accounts	331,323	343,332	-	-	-	-	331,323	343,332
Deferred revenue	891,556	212,915	-	-	-	-	891,556	212,915
Liability under charitable remainder trust	-	-	-	-	14,653	-	14,653	-
Operating lease liabilities - current	30,829	59,068	-	-	-	-	30,829	59,068
Finance lease liabilities - current	-	38,451	-		-	-	-	38,451
Total current liabilities	1,542,103	958,374	1,768	24,097	14,653	-	1,558,524	982,471
Operating lease liabilities - net of current	-	31,260	-	-	-	-	-	31,260
Total liabilities	1,542,103	989,634	1,768	24,097	14,653	-	1,558,524	1,013,731
Net assets:								
Without donor restrictions	(1,207,280)	131,394	20,811,359	22,850,146	4,600,825	4,365,562	24,204,904	27,347,102
With donor restrictions	281,199	79,785	282,800	250,000	23,366,253	20,934,884	23,930,252	21,264,669
Total net assets	(926,081)	211,179	21,094,159	23,100,146	27,967,078	25,300,446	48,135,156	48,611,771
TOTAL LIABILITIES AND NET ASSETS	$ 616,022	$ 1,200,813	$ 21,095,927	$ 23,124,243	$ 27,981,731	$ 25,300,446	$ 49,693,680	$ 49,625,502

See accompanying notes to financial statements.

Greater Los Angeles Area Council
Scouting America
Statements of Activities
Years Ended December 31, 2025 and 2024

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2025	2024 as restated	2025	2024 as restated	2025	2024	2025	2024 as restated
Changes in net assets without donor restrictions:								
Direct support:								
Friends of Scouting	$ 416,390	$ 486,045	$ -	$ -	$ -	$ -	$ 416,390	$ 486,045
Foundations and trusts	196,493	95,744	39,400	-	-	35,000	235,893	130,744
Legacies and bequests	1,900	-	-	-	-	18,172	1,900	18,172
Capital campaign	-	-	61,619	60,277	-	-	61,619	60,277
Contributed nonfinancial assets	1,200,410	974,736	-	-	-	-	1,200,410	974,736
Other direct support	10,125	-	36,080	-	-	-	46,205	-
Special events	381,179	534,573	-	-	-	-	381,179	534,573
Less: Direct cost of special events	(80,511)	(143,062)	-	-	-	-	(80,511)	(143,062)
Special events - Net	300,668	391,511	-	-	-	-	300,668	391,511
Total direct support	2,125,986	1,948,036	137,099	60,277	-	53,172	2,263,085	2,061,485
Indirect support:								
United Way	-	40	-	-	-	-	-	40
Government grants	-	68,580	-	-	-	-	-	68,580
Total indirect support	-	68,620	-	-	-	-	-	68,620
Net assets released from restriction	3,385	4,702	-	100,000	-	-	3,385	104,702
Revenue:								
Sales of supplies - gross	577,326	626,982	-	-	-	-	577,326	626,982
Less cost of goods sold	(412,826)	(333,879)	-	-	-	-	(412,826)	(333,879)
Net sales of supplies	164,500	293,103	-	-	-	-	164,500	293,103
Product sales	574,701	643,489	-	-	-	-	574,701	643,489
Less: Cost of goods sold	(158,945)	(183,162)	-	-	-	-	(158,945)	(183,162)
Less: Commissions paid to units	(216,832)	(234,127)	-	-	-	-	(216,832)	(234,127)
Net product sales	198,924	226,200	-	-	-	-	198,924	226,200
Camping revenue	2,316,336	2,467,582	-	-	-	-	2,316,336	2,467,582
Other revenue:								
Activity revenue	165,930	181,936	-	-	-	-	165,930	181,936
Investment income (loss) - Net	737,286	888,207	208,594	-	235,263	(509,430)	1,181,143	378,777
Gain on sale of assets	-	37,584	-	3,784,777	-	-	-	3,822,361
Council participant fees	471,528	839,096	-	-	-	-	471,528	839,096
Other	267,295	760,607	-	103,884	-	3,893	267,295	868,384
Total other revenue	1,642,039	2,707,430	208,594	3,888,661	235,263	(505,537)	2,085,896	6,090,554
Total revenue	4,321,799	5,694,315	208,594	3,888,661	235,263	(505,537)	4,765,656	9,077,439
Total support and revenue	6,451,170	7,715,673	345,693	4,048,938	235,263	(452,365)	7,032,126	11,312,246

Greater Los Angeles Area Council
Scouting America

Statements of Activities (Continued)

Years Ended December 31, 2025 and 2024

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2025	2024 as restated	2025	2024 as restated	2025	2024	2025	2024 as restated
Expenses:								
Program services	5,531,345	6,595,278	1,127,999	1,134,059	-	-	6,659,344	7,729,337
Support services:								
Management and general	1,981,986	1,122,971	35,651	4,179	-	-	2,017,637	1,127,150
Fundraising	604,301	705,286	51,811	6,073	-	-	656,112	711,359
Total support services	2,586,287	1,828,257	87,462	10,252	-	-	2,673,749	1,838,509
Total functional expenses	8,117,632	8,423,535	1,215,461	1,144,311	-	-	9,333,093	9,567,846
Charter and National service fees	161,515	143,360	-	-	-	-	161,515	143,360
Total expenses	8,279,147	8,566,895	1,215,461	1,144,311	-	-	9,494,608	9,711,206
Loss on lessor termination of lease at Cabrillo Beach Youth Center	-	-	679,716	-	-	-	679,716	-
Total expenses and losses	8,279,147	8,566,895	1,895,177	1,144,311	-	-	10,174,324	9,711,206
Change in net assets without donor restrictions	(1,827,977)	(851,222)	(1,549,484)	2,904,627	235,263	(452,365)	(3,142,198)	1,601,040
Changes in net assets with donor restrictions:								
Direct support:								
Friends of Scouting	184,000	-	-	-	-	-	184,000	-
Special events	20,799	3,385	-	-	-	-	20,799	3,385
Capital campaign	-	-	32,800	66,245	-	-	32,800	66,245
Legacies and bequests	-	-	-	-	4,000	2,144	4,000	2,144
Foundations and trusts	-	-	-	80,000	-	-	-	80,000
Total direct support	204,799	3,385	32,800	146,245	4,000	2,144	241,599	151,774
Other revenue:								
Investment income - Net	-	-	-	-	1,826,978	885,552	1,826,978	885,552
Change in value of beneficial interest in perpetual trusts	-	-	-	-	563,117	(185,632)	563,117	(185,632)
Change in value of beneficial interest in charitable remainder trust	-	-	-	-	37,274	26,648	37,274	26,648
Change in value of gift annuities receivable	-	-	-	-	-	(6,534)	-	(6,534)
Total other revenue	-	-	-	-	2,427,369	720,034	2,427,369	720,034
Net assets released from restriction	(3,385)	(4,702)	-	(100,000)	-	-	(3,385)	(104,702)
Change in net assets with donor restrictions	201,414	(1,317)	32,800	46,245	2,431,369	722,178	2,665,583	767,106
Change in total net assets	(1,626,563)	(852,539)	(1,516,684)	2,950,872	2,666,632	269,813	(476,615)	2,368,146
Net assets, beginning of the year:								
Without donor restrictions	131,394	89,078	22,850,146	27,784,765	4,365,562	(3,254,556)	27,347,102	24,619,287
With donor restrictions	79,785	81,102	250,000	1,330,530	20,934,884	20,212,706	21,264,669	21,624,338
Total net assets, beginning of the year	211,179	170,180	23,100,146	29,115,295	25,300,446	16,958,150	48,611,771	46,243,625
Transfers of net assets	489,303	893,538	(489,303)	(8,966,021)	-	8,072,483	-	-
Adjustments to net assets:								
Without donor restrictions	-	-	-	1,126,775	-	-	-	1,126,775
With donor restrictions	-	-	-	(1,126,775)	-	-	-	(1,126,775)
Net assets, end of the year:								
Without donor restrictions	(1,207,280)	131,394	20,811,359	22,850,146	4,600,825	4,365,562	24,204,904	27,347,102
With donor restrictions	281,199	79,785	282,800	250,000	23,366,253	20,934,884	23,930,252	21,264,669
Total net assets, end of the year	$ (926,081)	$ 211,179	$ 21,094,159	$ 23,100,146	$ 27,967,078	$ 25,300,446	$ 48,135,156	$ 48,611,771

See accompanying notes to financial statements.

Greater Los Angeles Area Council
Scouting America
Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	2025 Total
Employee compensation:				
Salaries	2,227,934	799,183	160,682	$ 3,187,799
Employee benefits	407,019	47,334	38,810	493,163
Payroll taxes and worker's compensation	223,909	57,409	12,419	293,737
Employee related expenses	5,901	144	20	6,065
Total employee compensation	2,864,763	904,070	211,931	3,980,764
Other expenses:				
Professional fees	405,739	1,027,146	207,882	1,640,767
Supplies	735,575	2,722	33,598	771,895
Supplies and other for special events			80,511	80,511
Popcorn expenses	158,945			158,945
Commissions paid to units	216,832			216,832
Cost of supplies	412,826			412,826
Telephone	95,898	6,150	9,272	111,320
Postage and shipping	4,608	541	1,439	6,588
Occupancy	912,621	20,776	32,994	966,391
Rent and maintenance of equipment	105,013	4,627	7,264	116,904
Publications and media	37,186	3,258	54,802	95,246
Travel	153,955	2,262	4,475	160,692
Conferences and meetings	28,444	1,196	2,228	31,868
Specific assistance to individuals	235,022			235,022
Recognition awards	23,419	570	5,996	29,985
Interest	30	4	6	40
Insurance	125,801	3,892	5,655	135,348
Miscellaneous	16,065	1,257	21,651	38,973
Total other expenses	3,667,979	1,074,401	467,773	5,210,153
Expenses before depreciation	6,532,742	1,978,471	679,704	9,190,917
Depreciation and amortization	915,205	39,166	56,919	1,011,290
Total expenses	7,447,947	2,017,637	736,623	10,202,207
Less expenses included with revenue on the statement of activities:				
Direct cost of special events	-	-	(80,511)	(80,511)
Cost of goods sold - supplies	(412,826)	-	-	(412,826)
Cost of goods sold - popcorn	(158,945)	-	-	(158,945)
Commissions paid to units	(216,832)	-	-	(216,832)
Total functional expenses	$ 6,659,344	$ 2,017,637	$ 656,112	$ 9,333,093

See accompanying notes to financial statements.

Greater Los Angeles Area Council
Scouting America

Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	2024 Total
Employee compensation:				
Salaries	2,003,730	855,628	116,964	$ 2,976,322
Employee benefits	444,306	38,363	27,092	509,761
Payroll taxes and worker's compensation	191,031	53,750	8,122	252,903
Employee related expenses	2,041	224	49	2,314
Total employee compensation	2,641,108	947,965	152,227	3,741,300
Other expenses:				
Professional fees	1,157,737	115,976	374,550	1,648,263
Supplies	719,427	2,608	15,096	737,131
Supplies and other for special events	-	-	143,062	143,062
Popcorn expenses	183,162	-	-	183,162
Commissions paid to units	234,127	-	-	234,127
Cost of inventory	333,879	-	-	333,879
Telephone	140,189	6,677	10,648	157,514
Postage and shipping	17,526	845	1,228	19,599
Occupancy	1,042,912	22,164	32,210	1,097,286
Rent and maintenance of equipment	129,536	2,981	4,331	136,848
Publications and media	37,707	3,236	45,669	86,612
Travel	150,476	3,622	9,387	163,485
Conferences and meetings	28,463	539	1,000	30,002
Specific assistance to individuals	207,157			207,157
Recognition awards	24,659	957	9,943	35,559
Interest	167			167
Insurance	248,913	10,248	14,892	274,053
Miscellaneous	27,532	1,133	28,261	56,926
Total other expenses	4,683,569	170,986	690,277	5,544,832
Expenses before depreciation	7,324,677	1,118,951	842,504	9,286,132
Depreciation and amortization	1,155,828	8,199	11,917	1,175,944
Total expenses	8,480,505	1,127,150	854,421	10,462,076
Less expenses included with revenue on the statement of activities:				
Direct cost of special events	-	-	(143,062)	(143,062)
Cost of goods sold - supplies	(333,879)	-	-	(333,879)
Cost of goods sold - popcorn	(183,162)	-	-	(183,162)
Commissions paid to units	(234,127)	-	-	(234,127)
Total functional expenses	$ 7,729,337	$ 1,127,150	$ 711,359	$ 9,567,846

See accompanying notes to financial statements.

Greater Los Angeles Area Council
Scouting America
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2025	2024 as restated	2025	2024	2025	2024	2025	2024 as restated
Cash flows from operating activities:								
Change in net assets	$ (1,626,563)	$ (852,539)	$ (1,516,684)	$ 2,950,872	$ 2,666,632	$ 269,813	$ (476,615)	$ 2,368,146
Adjustments to reconcile change in net assets to net cash flows from operating activities:								
Depreciation and amortization	38,223	45,868	973,067	1,130,076	-	-	1,011,290	1,175,944
Allowance for doubtful contributions receivable	-	28,276	-	-	-	-	-	28,276
Bad debt	-	-	-	-	-	-	-	-
Realized (gain) loss on investments	-	-	-	-	(216,066)	448,533	(216,066)	448,533
Unrealized (gain) loss on investments	-	-	-	-	(1,941,210)	(1,233,969)	(1,941,210)	(1,233,969)
Change in value of beneficial interest in charitable remainder trust	-	-	-	-	(37,274)	(26,649)	(37,274)	(26,649)
Change in value of beneficial interest in perpetual trusts	-	-	-	-	(563,117)	(185,633)	(563,117)	(185,633)
Change in value of gift annuities	-	-	-	-	-	6,534	-	6,534
Gain on sale of property	-	(37,584)	-	(3,784,777)	-	-	-	(3,822,361)
Loss on abandonment of Cabrillo Beach Youth Center	-	-	679,716	-	-	-	679,716	-
Endowment fund contributions	-	-	-	-	(4,000)	(2,144)	(4,000)	(2,144)
Changes in assets and liabilities:								
Accounts receivable	167,780	(28,086)	-	13,282	-	-	167,780	(14,804)
Contributions receivable	(173,330)	(48,426)	-	-	-	2,000	(173,330)	(46,426)
Inventory	24,643	(93,231)	-	-	-	-	24,643	(93,231)
Prepaid expenses	30,799	21,999	-	-	-	-	30,799	21,999
Operating leases ROU assets and lease liabilities	237	(1,147)					237	(1,147)
Accounts payable	(77,517)	(159,676)	(22,329)	(35,903)	-	-	(99,846)	(195,579)
Accrued expenses	61,304	(181,374)	-	-	-	(3,578)	61,304	(184,952)
Custodial accounts	(12,009)	143,121	-	-	-	-	(12,009)	143,121
Liability under charitable remainder trust	-	-	-	-	14,653	-	14,653	-
Deferred revenue	678,641	(78,316)	-	-	-	-	678,641	(78,316)
Unemployment trust	(8,392)	6,147					(8,392)	6,147
Net cash flows from operating activities	(896,184)	(1,234,968)	113,770	273,550	(80,382)	(725,093)	(862,796)	(1,686,511)
Cash flows from investing activities:								
Purchases of property and equipment	-	-	(101,184)	(1,516,116)	-	-	(101,184)	(1,516,116)
Proceeds from sale of property	-	37,584	-	6,714,650	-	-	-	6,752,234
Payments received on notes receivable	-	-	-	2,818,334	-	-	-	2,818,334
Purchases of investments	-	-	-	-	(870,666)	(4,044,303)	(870,666)	(4,044,303)
Proceeds from sales of investments	-	-	-	-	897,188	356,297	897,188	356,297
Net cash flows from investing activities	-	37,584	(101,184)	8,016,868	26,522	(3,688,006)	(74,662)	4,366,446
Cash flows from financing activities:								
Payment on note payable - AMA	-	-	-	-	-	(3,618,865)	-	(3,618,865)
Payments on finance leases	(38,451)	(46,023)	-	-	-	-	(38,451)	(46,023)
Inter-fund transfers	489,303	893,538	(489,303)	(8,966,021)	-	8,072,483	-	-
Inter-fund receivables (payables)	250,000	-	-	-	(250,000)	-	-	-
Endowment fund contributions	-	-	-	-	4,000	2,144	4,000	2,144
Net cash flows from financing activities	700,852	847,515	(489,303)	(8,966,021)	(246,000)	4,455,762	(34,451)	(3,662,744)
Net change in cash and cash equivalents	(195,332)	(349,869)	(476,717)	(675,603)	(299,860)	42,663	(971,909)	(982,809)
Cash and cash equivalents at beginning of year	262,744	612,613	759,517	1,435,120	318,513	275,850	1,340,774	2,323,583
Cash and cash equivalents at end of year	$ 67,412	$ 262,744	$ 282,800	$ 759,517	$ 18,653	$ 318,513	$ 368,865	$ 1,340,774

See accompanying notes to financial statements.

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Greater Los Angeles Area Council, Scouting America, located in Los Angeles, California, is a non-profit California corporation operating under a charter from the National Council of Scouting America (the ''National Council"). The program facilitates meaningful contact and communication among youth, parents and other community organizations to help young people adopt strong values and life skills. The program presents activities which are fun and interesting, providing valuable experiences directed at the maturity and interests of youth at their appropriate age and ability levels. The Council provides services to boys and girls up to age 21.

Boy Scouts of America (BSA) rebranded to Scouting America effective February 8, 2025. In response, the Council adopted Greater Los Angeles Scouting, Scouting America as the trade name for the Council.

The Council owned two camps and leased two other camp properties in 2025. Program delivery and camping activities took place at all of the properties.

The Council's strength lies in its vast core of thousands of volunteers that provide leadership a every level of the organization from its Board of Directors to local volunteers. Much of the Council's efforts seek to enhance its volunteer leadership core through training, support and facilities for Scout activities.

The Council provides the nation's foremost youth program of character development and values-based leadership training, which helps young people be "Prepared. For Life.®" The organization is composed of nearly 10,000 youth members up to age 21 and more than 4,500 volunteers throughout the Greater LA service area.

The Council's programs available to youth and young adults are classified as follows:

Lion Cubs and Tiger Cubs – One year, family-oriented program for a group of teams, each consisting of Kindergarten youth for Lions and first-grade youth for Tigers and an adult partner (usually a parent). Lion and Tiger Cub dens are part of the Cub Scout pack.

Cub Scouting – Family and community-centered approach for youth ages 8 through 10 organized into Cub Scout packs for teaching citizenship, compassion, social skills and courage through service projects, ceremonies, games and other activities that promote character development and physical fitness.

Scouts BSA – With the Scout Oath and Scout Law as guides, and the support of parents, religious and neighborhood organizations, Scouts ages 11 through 18 organized into Troops to develop an awareness and appreciation of their role in their community and become well-rounded adults through advancement within 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Nature of Operations (Continued)

Venturing – Provides experiences to help youth and young adults, ages 14 through 20 (or 13 and completed the 8th grade), organized into crews to become mature, responsible, caring adults. Young teens learn leadership skills and participate in challenging outdoor activities, including having access to Boy Scout camping properties and a recognition program and youth protection training.

Exploring - The program is a skill-based career orientated program for youth ages 14 through 20., which are organized into Posts. The program is sponsored by police departments, fire departments and other professional community-based entities.

The Council's website address is www.greaterlascouting.org.

Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Basis of Presentation

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

- *Net Assets without Donor Restrictions* - The part of net assets of the Council that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). At December 31, 2025 and 2024, included in net assets without donor restrictions are Board-designated net assets totaling $4,600,825 and $4,365,562, respectively, that are part of the Endowment Fund.

- *Net Assets with Donor Restrictions* - The part of net assets of the Council that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Stipulations may be met, either by actions of the Council and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting and Description of Funds

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 established according to their nature and purposes. The Council segregates and reports assets, liabilities, net assets, income, and expenses in three self-balancing funds as follows:

Operating Fund - The operating fund consists of expendable funds that are available for support of the Council's general operations.

Capital Fund - The Council's net undepreciated investment in property and equipment less related debt and expenses for its campgrounds and properties, and investments designated for capital additions.

Endowment Fund - Gifts, memorials, and bequests subject to donor stipulations that require the principal to be invested for perpetuity in donor-restricted endowment funds and amounts designated by the Board to be invested in Board-designated endowment funds. Investment income available for distribution is presented as net assets without donor restrictions.

Cash

The Council considers all short-term cash accounts to be cash equivalents. The Council considers short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded primarily for popcorn (product) sales. The carrying amount of these receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for credit losses is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. An allowance for credit losses was not considered necessary at December 31, 2025 and 2024.

Contributions Receivable

Contributions receivable arise from various Council programs such as Friends of Scouting and special events such as the Annual Gala and Business Leaders Breakfast, and other promises to give. Unconditional promises to give are recorded as receivables in the year promised. Conditional promises are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Promises to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without donor restrictions when received, unless the donor's intention is to support current-period activities.

Note 1: Summary of Significant Accounting Policies (Continued)

Contributions Receivable (Continued)

Contributions receivable expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the promise.

Management individually reviews all past due contribution receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of contribution receivable are reduced by allowances that reflect management's estimate of uncollectible amounts. As of December 31, 2025 and 2024, an allowance for uncollectible contributions of $- and $41,013 was reported.

Inventories

Inventories consist of Scouting supplies and other items available for resale. Cost is determined using the first in first out method. Inventories as of December 31, 2025 and 2024, are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Interfund Loans

The interfund loans resulted from the Endowment Fund making advances of cash to the Operating Fund for operating purposes. Loans are scheduled to be repaid within one year are classified as current.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated investments are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Investments are exposed to various risks such as significant 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 of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and Equipment

Land, buildings, and equipment purchased are recorded at cost. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to the appropriate fund. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. It is the Council’s policy to capitalize assets with a value of $5,000 or more and with a useful life greater than one year.

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.

Impairment of Long-Lived Assets

The Council reviews long-lived assets, including property and equipment, 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 future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Council has not recognized any impairment of long lived assets during 2025 and 2024.

Property Held for Sale

Properties held for sale are carried at the lower of the carrying amount or estimated fair market value. Management has committed to a plan to sell the properties within the next 12 months.

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting

The Council is a lessee in multiple noncancelable operating and financing leases. If the contract provides the Council the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Council has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. The ROU asset for finance leases is amortized on a straight-line basis over the lease term. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, the Council has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Council is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Council recognizes short-term lease cost on a straight-line basis over the lease term.

The Council made an accounting policy election for equipment and vehicles to not separate the lease components of a contract and its associated non-lease components (lessor-provided maintenance and other services). For all other underlying classes of assets, the Council separates lease and non-lease components to determine the lease payment.

Gift Annuities Receivable

The Council is the beneficiary of two charitable gift annuities administered by the National Council. These annuities represent the assets received in the form of contributions in exchange for distributions of a fixed amount for a specific period of time to the donor or other beneficiaries. There is no annuitant liability to the Council, as the National Council makes the required distributions to the annuitants.

Note 1: Summary of Significant Accounting Policies (Continued)

Beneficial Interest in Charitable Remainder Trust

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

Beneficial Interests in Perpetual Trusts

The Council has been named as an irrevocable beneficiary of two perpetual trusts held and administered by independent trustees. Perpetual trusts provide for the distribution of the net income of the trusts to the Council either in perpetuity or for the life of the trusts; however, the Council will never receive the assets of the trusts. At the date the Council receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities, and a beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts’ assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

Custodial Accounts

The Council acts as the fiscal sponsor for various scouting units. As the fiscal sponsor, the Council coordinates the financial activities, through the receipt and disbursement of funds, on behalf of the various units. Revenue and expenses are not recognized in the accompanying statements of activities. Cash receipts in excess of disbursements are reflected in the custodial accounts liability in the statements of financial position.

Note 1: Summary of Significant Accounting Policies (Continued)

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 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.

Donated Materials, Facilities, and Services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Council reports the donations as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. 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 that do not either require specialized skills or enhance nonfinancial assets are not recorded in the accompanying 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 financial statements.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Council records the following exchange transaction revenue in its statements of activities for the years ending December 31, 2025 and 2024:

Sale of Supplies - The Council's Scout Shops sell select Scouting-related items, uniforms, recognition items, camping products and attire. The Council also operates Trading Posts at its camps, which sells 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, 2025 and 2024.

Product Sales - To help Scout packs and troops raise the money they need to fund programs and activities throughout the year, the Council participates in the Trail's End Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The Scout packs and troops earn a commission of 35% on each sale they make, which may be used to offset the price of the popcorn they purchase from the Council. The popcorn sale also helps the Council raise money in support of its programs. Popcorn sales to Scout units start in the fall of each year, with the units placing their orders online through the Trail's End website. The price the Scout unit pays for the popcorn is established by the Council, and each item is individually priced, so no allocation of the transaction price is required. Many BSA units are allowed to purchase popcorn "on account" with payment due at a later date. 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. 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 statements of activities and changes in net assets gross revenues from popcorn sales, cost of goods sold, and unit commissions (retained by or paid to the unit). Scout units have the right to return to the Council any unsold product, subject to a return-by date. As of December 31, 2025 and 2024, minimal popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

Note 1: Summary of Significant Accounting Policies (Continued)

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 (range and target sports and adult leader training, 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 Event Revenue - The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event— the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council and it allocates the transaction price to the performance obligations. Accordingly, the Council separately presents in its 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 treats the transaction as a refundable advance along with the exchange component.

Council Participation Fees - An annual Council Participation Fee is assessed to all youth participating in Cub Scouts, Scouts BSA and Venturing programs and collected as a part of a unit's annual re-registration, often referred to as "rechartering." Identification of the contract is the paid participation/program fee. The participation fee makes it possible for the Council to provide district activities, like Day Camps and Camporees, extensive camping adventures including family camping weekends, program resources, liability insurance for those participating in approved Scouting activities, and youth protection—all of which are essential and integral to delivering the Scouting program. Each promised service described above is capable of being distinct. For instance, the Council could hire a consulting firm to develop program resources for members. However, the promises involve tightly integrated services that the Council needs to attract, enroll, educate, protect, and support its members, all of which are highly interrelated and dependent on other services in the contract.

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The Council has no history of selling individual services (i.e., program resources) to any member on a standalone basis and does not market or sell its services piecemeal. Members benefit from the services provided by the Council as customers are able to join the Council and participate in the Scouting program. As a result, none of these promised services are considered “distinct” on their own since they are not distinct within the context of the customer contracts. All promised services have been bundled as part of a single performance obligation, which is to attract, enroll, educate, protect, and support its members.

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. The transaction price is clearly indicated on the online unit recharter application. As fees are separately identified on the online forms and directly associated with the performance obligation, the full transaction price is allocated to the single performance obligation. Participation fee revenues are recognized ratably over the annual membership period as the Council delivers its single performance obligation. Participation fees collected in advance of satisfaction of the Council’s performance obligation are recorded as a contract liabilities (i.e., deferred revenues). Contract liabilities are reclassified to revenues as the revenues are earned over the annual membership period.

Other Revenue - Other revenue consists of rent revenue and other miscellaneous revenue. Rent revenue is recognized on a monthly basis as earned. Other revenue is insignificant and is recognized when received.

Sales and other taxes the Council collects concurrent with revenue-producing activities are excluded from revenue.

Functional Allocation of Expenses

The costs of providing the Scouting program and supporting services have been summarized on the statement of activities and changes in net assets on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits and travel costs, which are allocated on the basis of estimates of time and effort. The basis of allocation of these expenses is the result of a time study of staff performed every 3 years. The percentage of time allocated to each of the programs and the supporting functions is based on the average of the results of three separate studies and is applied to the expenses that are allocated. In accordance with the policy of the National Council of the Boy Scouts of America (the “National Council”), the payment of the charter fee to the National Council is not allocated as a functional expense. The financial statements report expenses by function in the statements of functional expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Council is classified as a public charity. The Council is also exempt from state income taxes under similar provisions of the State of California. The Council currently has no unrelated business income.

The Council assesses whether it is more likely than not that a tax position will be sustained upon examination of the technical merits or the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Council recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits.

Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could materially differ from those estimates.

Subsequent Events

The Council has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 21, 2026, which is the date the financial statements were available to be issued.

Note 2: Accounts Receivable and Contract Balances

Opening and closing balances for contract assets, contract liabilities, and accounts receivable arising from contracts with customers include:

	12/31/2025	12/31/2024, as restated	1/1/2024
Contract liabilities	$ 891,556	$ 212,915	$ 291,231
Accounts receivable	$ 25,264	$ 193,044	$ 178,240

Contract assets arise when the Council transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Council is able to invoice the customer. There were no contract assets at December 31, 2025 or 2024 or January 1, 2024. Contract liabilities represent the Council’s obligation to transfer goods or services to a customer when consideration has already been received from the customer. When transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognized.

Note 3: Contributions Receivable

Contributions receivable consisted of the following:

As of December 31,	2025	2024
Friends of Scouting	$ 182,880	$ 19,513
Special events	700	41,750
Foundations and trust	10,000	-
Totals	193,580	61,263
Less allowance for uncollectible contributions	-	(41,013)
Contributions receivable - net	$ 193,580	$ 20,250

Contributions receivable are expected to be collected as follows:

As of December 31,	2025	2024
Less than one year	$ 193,580	$ 61,263
Total	193,580	61,263
Less allowance for uncollectible contributions	-	(41,013)
Contributions receivable - net	$ 193,580	$ 20,250

Note 4: Land Held for Sale

As of December 31, 2025 and 2024, the Council had classified $155,746 and $155,746, respectively, of assets as land held for sale in the statement of financial position. This represents the book value of multiple parcels of land throughout the Los Angeles area.

Note 5: Property and Equipment

A summary of property and equipment is as follows:

As of December 31, 2025	Estimated Life	Cost	Accumulated Depreciation	Net
Land		$ 761,064	$ -	$ 761,064
Land improvements	10 yrs	3,142,451	2,868,965	273,486
Buildings	50 yrs	23,746,358	4,949,862	18,796,496
Leasehold improvements	20 yrs	513,319	237,172	276,147
Camp equipment	10 yrs	1,838,317	1,344,447	493,870
Office equipment	3 - 10 yrs	51,116	36,918	14,198
Vehicles	4 yrs	203,684	161,564	42,120
Totals		$ 30,256,309	$ 9,598,928	$ 20,657,381

As of December 31, 2024	Estimated Life	Cost	Accumulated Depreciation	Net
Land		$ 761,064	$ -	$ 761,064
Land improvements	10 yrs	3,136,351	2,658,612	477,739
Buildings	50 yrs	23,676,928	4,472,097	19,204,831
Leasehold improvements	20 yrs	1,806,609	825,821	980,788
Camp equipment	10 yrs	1,873,843	1,209,271	664,572
Office equipment	3 - 10 yrs	51,116	33,408	17,708
Vehicles	4 yrs	260,777	182,596	78,181
Construction in progress		24,097	-	24,097
Totals		$ 31,590,785	$ 9,381,805	$ 22,208,980

Depreciation expense totaled $973,067 and $1,130,076 for the years ending December 31, 2025 and 2024, respectively.

In 2025, the lease for the Cabrillo Beach Youth Center was terminated by the lessor (Port of Los Angeles) and the Council had to abandon the property. See Note 6.

In 2024, the Council sold the office building in San Gabriel Valley and land for a total of $6,714,650 at a net gain of $3,784,777.

Note 6: Loss on Lessor Termination of Lease at Cabrillo Beach Youth Center

In 2025, the lease for the Cabrillo Beach Youth Center was terminated by the lessor (Port of Los Angeles) and the Council had to abandon the property. The Council wrote off the Cabrillo Beach Youth Center property and equipment with a cost of $1,392,364 and accumulated depreciation of $712,648 for a net loss on abandonment of $679,716 as reported in the expense section of the statement of activities for 2025.

Note 7: Leases

San Gabriel Valley Office

The Council leased the land on which its former San Gabriel Valley offices are located until the offices were sold in 2024. The Council subleased this property. The Council was required to pay all property taxes and assessments relating to the property. The Council had no information as to the value of the land at the lease inception and therefore no asset was recorded. Sublease rental income for 2024 totaled $262,351, and is included in other revenue in the accompanying statements of activities.

Cabrillo Beach Youth Camp

The Council had an agreement with the City of Los Angeles which provides the Council with free use of the land. The original agreement was entered into in 1983 and had a term of 30 years. Upon expiration of the original agreement, the Council has been utilizing the land rent free on a month-to-month basis. During 2025, the City of Los Angeles gave notice that the lease was terminated on December 1, 2025 with a surrender of possession of the premises on December 31, 2025 - see Note 6. The Council recognized $210,000 of in kind revenue and expense related to this lease for both years ended December 31, 2025 and 2024.

Arcadia Retail Shop and Office Lease

The Council leases a retail shop and office space under an operating lease agreement through June 30, 2026. Lease expense for 2025 and 2024 totaled $62,518 and $56,471, respectively.

Equipment

The Council leases copiers under a finance lease that expires in October 2025.

The leases entered into include one or more options to renew. The exercise of lease renewal options is at the Council's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Note 7: Leases (Continued)

The Council's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments plus, for one of the Council's leases, variable payments. The Council's retail shop and office space lease require it to make variable payments for common area maintenance. These variable lease payments are not included in lease payments used to determine the lease liability and are recognized as variable costs when incurred.

Components of lease (income) expense were as follows for the years ended December 31:

	2025	2024
Lease (income)/expense:		
Finance lease cost:		
Interest	$ 40	$ 167
Amortization of right-of-use asset	38,223	45,867
Operating lease cost	62,518	56,471
Sublease income	(61,668)	(262,531)
Total lease (income)/expense	$ 39,113	$ (160,026)

Supplemental cash flow information related to leases is as follows for the years ended December 31:

	2025	2024
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 40	$ 162
Operating cash flows from operating leases	62,518	57,278
Financing cash flows from finance leases	38,451	46,023
Right-of-use assets obtained in exchange for new operating lease liabilities	$ -	$ 119,505

	2025	2024
Weighted-average remaining lease term - Finance leases		0.83
Weighted-average remaining lease term - Operating leases	.5	$ 1.50
Weighted-average discount rate - Finance leases	- %	0.28 %
Weighted-average discount rate - Operating leases	4.77 %	4.77 %

Note 7: Leases (Continued)

Maturities of lease liabilities are as follows as of December 31, 2025:

Years Ended December 31,		Operating Leases
2026	$	31,260
Total lease payments		31,260
Less imputed interest		(431)
Totals	$	30,829

Note 8: Investments

Net investment income consisted of the following:

Years Ended December 31,		2025		2024
Interest and dividends	$	883,855	$	623,894
Realized gains (losses)		216,066		(448,533)
Unrealized gains		1,941,210		1,233,969
Margin loan interest expense		-		(115,516)
Fees		(33,010)		(29,485)
Total investment income	$	3,008,121	$	1,264,329

The Council has a Board-approved total return spending policy that allows the operating fund to receive and recognize investment earnings originating from the endowment fund (see Note 10).

Income from interest and dividends on investments and realized and unrealized gains and losses on the sales of investments are recorded initially in the Endowment Fund. Distributions of investment income 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. For 2025 and 2024, investment expenses were $33,010 and $29,485 and were included in investment income-net in the statements of activities.

Note 9: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

- Money market fund - The money market mutual fund consists primarily of domestic commercial paper and other cash management instruments such as repurchase agreements and master notes, U. S. government and corporate obligations, and other securities of foreign issuers. The funds seeks to maintain a stable net asset value (NAV) of $1.

- Common stocks are valued at the daily closing price in an active market.

- Mutual funds and exchange traded funds are valued at the daily closing price as reported by the fund. Mutual funds and exchange traded funds held by the Council are open-end mutual funds and exchange traded funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds and exchange traded funds held by the Council are deemed to be actively traded.

- The Council has entered into agreements to fund alternative investments totaling $500,000. The funds invest in private equity, real estate and credit and opportunistic investments across multiple strategies, geographies and industries. The investment period is three years from the effective date, subject to a six-month extension. The distribution date shall be five years from the last date of the investment period, subject to a potential extension. As of December 31, 2025, unfunded commitments on the alternative investments amounted to $81,875.

- Gift annuities receivable - The fair value is based on the present value of future payments to be made to other beneficiaries.

- Beneficial interest in perpetual trusts - The Council is the primary income beneficiary of two perpetual trusts, and whose assets are held by a third party. Under the terms of the trusts, the Council has the irrevocable right to receive the income generated by the trusts in perpetuity. The Council reports its interest in the perpetual trust at the fair value of the assets held in the trust.

- Beneficial interest in charitable remainder trust - The Council has an irrevocable beneficial interest in a charitable remainder trust that is administered by an independent trustee. The Council reports its remainder interest at the net present values of the estimated future cash flows expected to be received from the trust.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 9: Fair Value Measurements (Continued)

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

	Fair Value of Assets as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 513,124	$ -	$ -	$ 513,124
Common stock	2,041	-	-	2,041
Mutual funds:				
Emerging markets	2,045,466	-	-	2,045,466
International	2,855,900	-	-	2,855,900
U.S. large company	3,770,353	-	-	3,770,353
U. S. small company	6,102,256	-	-	6,102,256
Real estate investment trusts	701,358	-	-	701,358
Fixed income	7,982,484	-	-	7,982,484
Alternative investments	-	-	261,969	261,969
Beneficial interest in charitable remainder trust	-	-	227,579	227,579
Beneficial interest in perpetual trusts	-	-	3,208,213	3,208,213
Gift annuities receivable	-	-	42,335	42,335
Totals	$ 23,972,982	$ -	$ 3,740,096	$ 27,713,078

	Fair Value of Assets as of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 465,660	$ -	$ -	$ 465,660
Exchange traded funds	6,510,234	-	-	6,510,234
Mutual funds				
Emerging markets	1,761,545	-	-	1,761,545
International	3,477,237	-	-	3,477,237
U.S large company	3,330,125	-	-	3,330,125
U.S. small company	5,611,191	-	-	5,611,191
Real estate investment trusts	650,064	-	-	650,064
Alternative investments	-	-	298,141	$ 298,141
Beneficial interest in charitable remainder trust	-	-	190,305	190,305
Beneficial interest in perpetual trusts	-	-	2,645,096	2,645,096
Gift annuities receivable	-	-	42,335	42,335
Totals	$ 21,806,056	$ -	$ 3,175,877	$ 24,981,933

There were no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2025 and 2024.

Note 9: Fair Value Measurements (Continued)

The following table sets forth a summary of changes in the fair value of Level 3 investments for the years ended December 31, 2025 and 2024:

	Alternative Investments	Gift Annuities Receivable	Beneficial Charitable Remainder Trust	Beneficial Perpetual Trusts	Total
Balance as of January 1, 2024	$ 327,139	$ 48,869	$ 163,657	$ 2,830,729	$ 3,370,394
Net realized and unrealized (loss)	(28,998)	-	-	-	(28,998)
Change in value of beneficial interest	-	-	26,648	(185,633)	(158,985)
Change in value of gift annuities receivable	-	(6,534)	-	-	(6,534)
Balance, December 31, 2024	298,141	42,335	190,305	2,645,096	3,175,877
Net realized and unrealized (loss)	(36,172)	-	-	-	(36,172)
Change in value of beneficial interest	-	-	37,274	563,117	600,391
Balance as of December 31, 2025	$ 261,969	$ 42,335	$ 227,579	$ 3,208,213	$ 3,740,096

Note 10: Endowments

The Council's endowments consist of several individual funds and liabilities established for specific purposes. Endowment funds are established by donor-restricted gifts to either provide a donor restricted endowment, which is to provide a permanent source of income or for a specified period to the Council. The beneficial interest in perpetual trusts is considered part of the Council's endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 10: Endowments (Continued)

The Council is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Board of Directors has interpreted UPMIFA as not requiring the maintenance of the purchasing power of the original gift amount that was contributed to an endowment fund, unless a donor stipulates to 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 UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the 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

The Council's management understands California state law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on donor-restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

Investment Strategies

The primary long-term financial objective for the Council's endowments is to preserve the real purchasing power of endowment assets and income after accounting for endowment spending, inflation, and costs of portfolio management. Performance of the overall endowment against this objective is measured over an investment horizon of ten years. The endowments are also managed to optimize the long-run total rate of return in invested assets, existing spending policy and allows sufficient reinvestment to grow the endowment principal at a rate that meets or exceeds the return of a balanced market index consisting of 65% equities and 35% bonds.

Note 10: Endowments (Continued)

Spending Policy

The Council's Board of Directors has developed a spending policy that distributes a specific payout rate of the endowment base to support the Council's programs. Such a policy allows for greater predictability of spendable income for budgeting purposes and for gradual steady growth for the support of operations by the endowment. In addition, this policy minimizes the invading of principal over the long-term.

Composition of endowment net assets for the year ended December 31, 2025, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 23,366,253	$ 23,366,253
Board-designated endowment funds	4,600,825	-	4,600,825
Totals	$ 4,600,825	$ 23,366,253	$ 27,967,078

Composition of endowment net assets for the year ended December 31, 2024, was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 20,934,884	$ 20,934,884
Board-designated endowment funds	4,365,562	-	4,365,562
Totals	$ 4,365,562	$ 20,934,884	$ 25,300,446

Changes in endowment net assets for the year ended December 31, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 4,365,562	$ 20,934,884	$ 25,300,446
Contributions	-	4,000	4,000
Investment income	925,756	(90,592)	835,164
Realized and unrealized gains	209,967	1,947,309	2,157,276
Investment fees	(3,272)	(14,644)	(17,916)
Change in value of beneficial interest in charitable remainder trust	-	37,274	37,274
Change in value of beneficial interest in perpetual trusts	-	563,117	563,117
Trust fees	-	(15,095)	(15,095)
Appropriation of endowment net assets for expenditure pursuant to spending policy	(897,188)	-	(897,188)
Endowment net assets, end of year	$ 4,600,825	$ 23,366,253	$ 27,967,078

Note 10: Endowments (Continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ (3,254,556)	$ 20,212,706	$ 16,958,150
Contributions	53,172	2,144	55,316
Investment income	338,806	249,800	588,606
Realized and unrealized gains	30,088	755,347	785,435
Investment fees	(14,644)	-	(14,644)
Margin loan interest	4,078	(119,594)	(115,516)
Change in value of beneficial interest in charitable remainder trust	-	26,648	26,648
Change in value of beneficial interest in perpetual trusts	-	(185,633)	(185,633)
Change in value of beneficial interest in gift annuities receivable	-	(6,534)	(6,534)
Miscellaneous income	3,893	-	3,893
Trust fees	(14,552)	-	(14,552)
Transfers	8,072,483	-	8,072,483
Appropriation of endowment net assets for expenditure pursuant to spending policy	(853,206)	-	(853,206)
Endowment net assets, end of year	$ 4,365,562	$ 20,934,884	$ 25,300,446

The negative balance in board-designated endowment funds is the result of a margin loan collateralized by the Council's investments. The loan was taken to satisfy, in part, the Council's required contribution to the Statutory Trust established as part of the bankruptcy proceedings of the National Council. The Council satisfied this debt in 2024 with the sale of ancillary property.

From time to time, the fair value of the assets associated with individual donor-restricted funds may fall below the level that current law requires the Council to retain for a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, these deficiencies are reported as a reduction in net assets without donor restrictions. Such deficiencies may result from unfavorable market fluctuations, particularly if the funds were invested in the endowment pool shortly prior to significant market declines. As of December 31, 2025 and 2024, there were no such deficiencies.

Note 11: Net Assets and Restrictions

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

December 31, 2025	Operating Fund	Capital Fund	Endowment Fund	Total
Subject to expenditure for specified purpose:				
Capital campaign	$ -	$ 282,800	$ -	$ 282,800
Council general	253,900	-	-	253,900
Total subject to expenditure for specified purpose	253,900	282,800	-	536,700
Subject to passage of time:				
Special events	27,299	-	-	27,299
Total subject to passage of time	27,299	-	-	27,299
Subject to Council spending policy and appropriation	-	-	23,366,253	23,366,253
Total net assets with donor restrictions	$ 281,199	$ 282,800	$ 23,366,253	$ 23,930,252

December 31, 2024, as restated	Operating Fund	Capital Fund	Endowment Fund	Total
Subject to expenditure for specified purpose:				
Capital campaign	$ -	$ 250,000	$ -	$ 250,000
Council general	69,900	-	-	69,900
Total subject to expenditure for specified purpose	69,900	250,000	-	319,900
Subject to passage of time:				
Special events	9,885	-	-	9,885
Total subject to passage of time	9,885	-	-	9,885
Subject to Council spending policy and appropriation	-	-	20,934,884	20,934,884
Total net assets with donor restrictions	$ 79,785	$ 250,000	$ 20,934,884	$ 21,264,669

Note 11: Net Assets and Restrictions (Continued)

Net assets were released from donor restrictions during 2025 and 2024 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows as of December 31:

Years Ended December 31,	2025	2024
Satisfaction of program restrictions:		
Council general	$ -	$ 20
Capital campaign	-	100,000
Satisfaction of time restrictions:		
Friends of Scouting	-	4,682
Special events	3,385	-
Total net assets released from restriction	$ 3,385	$ 104,702

Note 12: Special Event Revenue

Gross receipts from special fundraising events recorded by the Council consist of exchange transaction revenue and contribution revenue.

For the Years Ended December 31,	2025	2024
Contribution revenue	$ 321,467	$ 394,896
Exchange transaction revenue (benefit to customer)	80,511	143,062
Total special event revenue	$ 401,978	$ 537,958

Note 13: Contributed Nonfinancial Assets

During 2025 and 2024, donated professional services and rent totaling $1,200,410 and $974,736, respectively, were received which satisfied the criteria for recognition during the year, of which $990,410 and $764,736, respectively, related to legal services performed by Council Board members who are attorneys . The remaining portion totaling $210,000 is donated use of Camp Cabrillo for both years ended December 31, 2025 and 2024.

Contributed nonfinancial assets do not include any donor restrictions.

The contributed use of camps are based on the value of the use of similar property.

Contributed services recognized comprise professional services from Council Board members who are attorneys advising on the bankruptcy settlement discussed in Note 20 and for legal services related to sales of property. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

Note 14: Unemployment Trust

The Council participates in an unemployment trust through UST Trust in lieu of the state unemployment system. The funds deposited with the UST Trust are used to cover unemployment claims and all amounts deposited remain assets of the Council until they are used. The balance in the UST Trust at December 31, 2025 and 2024 was $114,081 and $105,689, respectively.

Note 15: Retirement Plans

BSA Retirement Plan

The National Council has a qualified defined benefit pension plan (the "Plan") administered at the national office that covers employees of the National Council and local Councils including this local area Council. The Plan name is the *Boy Scouts of America Master Pension Trust - Boy Scouts of America Retirement Plan for Employees*. Effective August 1, 2020, the plan was frozen to all employees.The Council contributed 7.75% of eligible employees' compensation, increasing to 12% on July 1, 2021, to the BSA retirement program. Pension expense (excluding the contributions made by employees) for the years ended December 31, 2025 and 2024 was $205,557 and $247,567, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2025, indicates that it is in compliance with ERISA regulations regarding funding.

BSA Match Savings Plan

The Council participates in a defined contribution plan established by the National Council of the Boy Scouts of America. The plan name is the *BSA Match Savings Plan*, which covers substantially all of the employees of the Council. Participants in the BSA Match Savings 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 matches employee contributions to the BSA Match Savings Plan up to 50 percent of contributions from each participant, limited to 6 percent of each employee's gross pay. The Council made contributions of $64,897 and $51,060, respectively, to the BSA Match Savings Plan during the years ended December 31, 2025 and 2024.

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, 2025 and 2024, the Council remitted approximately $191,065 and $176,360, respectively, on behalf of its employees to the National Council related to the health care plan.

Note 16: Related Parties

The Council pays an annual national service fee to Scouting America, a related party. Scouting America oversees the Council's program and sets rules and regulations that the Council must follow. For the years ended December 31, 2025 and 2024 this fee totaled $161,514 and $143,360, respectively.

Note 16: Related Parties (Continued)

The Council collects annual registration fees from local packs, troops, crews, and posts, and remits these fees to the National Council. These fees are not recognized in the Council's statements of activities. The Council remitted $238,474 and $233,412 in registration fees to the National Council during 2025 and 2024, respectively. Due to timing differences, unremitted fees at the end of the period are included in the custodial accounts liability.

The National Council operates a Scout shop within the Los Angeles area, separate and apart from the two Council operated shops. The National Council pays the Council an 8% commission on gross sales up to $750,000, and 5% in excess of $750,000. The commissions earned before expenses by the Council during the years ended December 31, 2025 and 2024 amounted to $51,844 and $52,796, respectively, which are included in other revenue in the statements of activities.

Note 17: Concentration of Credit Risk

The Council maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to $250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. The Council has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Note 18: Liquidity and Availability of Resources

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:

As of December 31,	2025	2024
Cash - Operating Fund	$ 67,412	$ 262,744
Accounts receivable, net - Operating Fund	25,264	193,044
Contributions receivable, net - Operating Fund	193,580	20,250
Total financial assets as of end of year	286,256	476,038
Appropriation from endowment for general expenditure in subsequent year	996,922	869,082
Less: Net assets with donor restrictions	(281,199)	(79,785)
Less: Custodial accounts	(331,323)	(343,332)
Financial assets available to meet cash needs for general expenditures within one year	$ 670,656	$ 922,003

Note 18: Liquidity and Availability of Resources (Continued)

The Council's endowment funds consist of donor-restricted endowments and a Board-designated endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. The endowment has a spending rate of up to 5% of the preceding four years ending June 30 average balance of the endowment fund. $996,922 and $869,082 of appropriations from the endowment will be available within the next 12 months as of December 31, 2025 and 2024, respectively.

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Council invests cash in excess of daily requirements in short-term investments. Additionally, the Council has a Board-designated endowment. Although the Council does not intend to spend from its Board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary.

Additionally, the Council has entered into an agreement which allows it to borrow against its investment portfolio. At December 31, 2025, the maximum borrowing amount available to the Council was $5,878,205.

Note 19: Restatement of Previously Issued Financial Statement [Prior Period Adjustment]

The financial statements as of and for the year ended December 31, 2024, have been restated to correct errors that were detected during the audit for the year ended December 31, 2025.

During 2025, the Council determined that a property tax refund received in 2025 in the amount of $71,324 should have been recorded as a receivable at December 31, 2024. To correct this error, receivables were increased by $71,324 and net assets was increased by $71,324 as of December 31, 2024. Change in net assets for the year ended December 31, 2024 was increased by $71,324.

In addition, during 2025 the Council noted that $1,126,775 in net assets with donor restrictions related to the closure of Camp Cherry Valley in 2023 should have been released from restriction in prior years. The Council increased the balance in the December 31, 2024 net assets without donor restrictions by $1,126,775 with a corresponding decrease to net assets with donor restrictions.

Note 20: Commitments and Contingencies

Litigation and Contingencies

The Council is insured through the BSA General Liability Insurance Program ("GLIP"), which covers the National Council and all local councils on a worldwide basis. This program, which began in 1978, is composed of primary insurance and excess liability insurance provided by a number of companies. GLIP provides primary coverage with respect to claims arising out of Official Scouting Activities and responds to allegations of negligent actions by third parties that result in personal injury or property damage claims. The Council was made aware of claims alleging sexual abuse against it. A number of those claims were not formally filed against the Council and were asserted in claims forms in connection with the National Council's bankruptcy.

On February 18, 2020, the National Council filed for relief under Chapter 11 of the United States Bankruptcy Code to resolve all sexual abuse litigation against the National Council and against all local councils, including the Council, that arose prior to the date of filing. On September 8, 2022, the Bankruptcy Court entered an order confirming the Third Modified Fifth Amended Chapter 11 Plan of Reorganization, which required all local councils, including the Council, to make a substantial contribution to the Settlement Trust in exchange for such protection from sexual abuse claims. The Council committed to contribute $8,000,000 to the Settlement Trust in accordance with the Plan of Reorganization. In return for the Council's contribution to the Settlement Trust, the Plan channels to the Settlement Trust abuse claims that arose prior to the filing date and the Council has no further liability for those claims. The National Council emerged from bankruptcy on April 19, 2023. No additional liability exists beyond the already contributed $8,000,000.