

**CONNECTICUT YANKEE COUNCIL, INC. BOY SCOUTS OF AMERICA
D.B.A. CONNECTICUT YANKEE COUNCIL, SCOUTING AMERICA**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

**CONNECTICUT YANKEE COUNCIL, INC. BOY SCOUTS OF AMERICA D.B.A. CONNECTICUT
YANKEE COUNCIL, SCOUTING AMERICA
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Principals

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Connecticut Yankee Council, Inc. Boy Scouts of America
d.b.a. Connecticut Yankee Council, Scouting America
Milford, Connecticut 06460

Opinion

We have audited the accompanying financial statements of Connecticut Yankee Council, Inc. Boy Scouts of America d.b.a. Connecticut Yankee Council, Scouting America (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related 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 financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Yankee Council, Inc. Boy Scouts of America d.b.a. Connecticut Yankee 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Connecticut Yankee Council, Inc. Boy Scouts of America d.b.a. Connecticut Yankee 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.

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 Connecticut Yankee Council, Inc. Boy Scouts of America d.b.a. Connecticut Yankee Council, Scouting America's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Connecticut Yankee Council, Inc. Boy Scouts of America d.b.a. Connecticut Yankee 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 Connecticut Yankee Council, Inc. Boy Scouts of America d.b.a. Connecticut Yankee 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.

Accavallo & Company, LLC

Shelton, Connecticut
June 8, 2026

CONNECTICUT YANKEE COUNCIL, INC. BOY SCOUTS OF AMERICA
D.B.A. CONNECTICUT YANKEE COUNCIL, SCOUTING AMERICA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>Operating Fund</u>		<u>Capital Fund</u>		<u>Endowment Fund</u>		<u>Total Funds</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 460,825	\$ 217,825	\$ 98,001	\$ 382,047	\$ 2,101	\$ 144,347	\$ 560,927	\$ 744,219
Accounts receivable, net (Note 5)	17,204	66,074	-	-	-	-	17,204	66,074
Pledges receivable, net	-	17,122	6,859	7,613	-	-	6,859	24,735
Inventories	28,576	23,745	-	-	-	-	28,576	23,745
Prepaid expenses	53,737	14,733	-	-	-	-	53,737	14,733
TOTAL CURRENT ASSETS	<u>560,342</u>	<u>339,499</u>	<u>104,860</u>	<u>389,660</u>	<u>2,101</u>	<u>144,347</u>	<u>667,303</u>	<u>873,506</u>
Noncurrent Assets								
Investments	-	-	3,980,087	3,864,967	4,423,529	3,996,283	8,403,616	7,861,250
Split interest agreements:								
Charitable remainder trusts	28,954	28,954	-	-	1,368,402	1,233,320	1,397,356	1,262,274
Beneficial interest in perpetual trusts	-	-	-	-	353,923	321,433	353,923	321,433
	28,954	28,954	3,980,087	3,864,967	6,145,854	5,551,036	10,154,895	9,444,957
Land, buildings and equipment, net	-	-	3,575,164	3,036,094	-	-	3,575,164	3,036,094
ROU assets-finance leases-net (Note 18)	-	-	31,717	14,459	-	-	31,717	14,459
Goodwill and intangibles, net	-	-	25,750	29,429	-	-	25,750	29,429
Interfund loans	-	-	-	-	-	-	-	-
TOTAL NONCURRENT ASSETS	<u>28,954</u>	<u>28,954</u>	<u>7,612,718</u>	<u>6,944,949</u>	<u>6,145,854</u>	<u>5,551,036</u>	<u>13,787,526</u>	<u>12,524,939</u>
TOTAL ASSETS	<u>\$ 589,296</u>	<u>\$ 368,453</u>	<u>\$ 7,717,578</u>	<u>\$ 7,334,609</u>	<u>\$ 6,147,955</u>	<u>\$ 5,695,383</u>	<u>\$ 14,454,829</u>	<u>\$ 13,398,445</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payables and accrued expenses	\$ 19,972	\$ 33,711	\$ -	\$ 50,900	\$ -	\$ 30	\$ 19,972	\$ 84,641
Deferred income	251,117	149,380	-	-	-	-	251,117	149,380
Custodial funds	211,550	91,931	64,658	63,263	-	-	276,208	155,194
Current portion of finance lease liabilities	-	-	13,310	6,052	-	-	13,310	6,052
Current portion of long-term debt	-	-	109,579	49,245	-	-	109,579	49,245
TOTAL CURRENT LIABILITIES	<u>482,639</u>	<u>275,022</u>	<u>187,547</u>	<u>169,460</u>	<u>-</u>	<u>30</u>	<u>670,186</u>	<u>444,512</u>
LONG-TERM LIABILITIES								
Finance lease liabilities-less current portion	-	-	17,621	7,645	-	-	17,621	7,645
Long-term debt, less current portion	-	-	541,471	387,797	-	-	541,471	387,797
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>559,092</u>	<u>395,442</u>	<u>-</u>	<u>-</u>	<u>541,471</u>	<u>395,442</u>
TOTAL LIABILITIES	<u>482,639</u>	<u>275,022</u>	<u>746,639</u>	<u>564,902</u>	<u>-</u>	<u>30</u>	<u>1,229,278</u>	<u>839,954</u>
NET ASSETS								
Without donor restrictions	64,625	73,126	3,653,948	3,470,245	2,101	144,347	3,720,674	3,687,718
Without donor restrictions-Board Designated	-	-	3,230,720	3,230,720	1,711,569	1,466,677	4,942,289	4,697,397
With donor restrictions	42,032	20,305	86,271	68,742	4,434,285	4,084,329	4,562,588	4,173,376
TOTAL NET ASSETS	<u>106,657</u>	<u>93,431</u>	<u>6,970,939</u>	<u>6,769,707</u>	<u>6,147,955</u>	<u>5,695,353</u>	<u>13,225,551</u>	<u>12,558,491</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 589,296</u>	<u>\$ 368,453</u>	<u>\$ 7,717,578</u>	<u>\$ 7,334,609</u>	<u>\$ 6,147,955</u>	<u>\$ 5,695,383</u>	<u>\$ 14,454,829</u>	<u>\$ 13,398,445</u>

See notes to financial statements.

**CONNECTICUT YANKEE COUNCIL, INC. BOY SCOUTS OF AMERICA
D.B.A. CONNECTICUT YANKEE COUNCIL, SCOUTING AMERICA
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>Operating Fund</u>		<u>Capital Fund</u>		<u>Endowment Fund</u>		<u>Total Funds</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Changes in Net Assets Without Donor Restriction								
Public support and other revenue:								
Friends of scouting, net	\$ 362,331	\$ 244,345	\$ -	\$ -	\$ -	\$ -	\$ 362,331	\$ 244,345
Project sales	43,200	66,192	23,894	28,056	-	-	67,094	94,248
Special events	194,205	230,436	-	-	-	-	194,205	230,436
Less cost of direct benefits to donors	(50,699)	(91,281)	-	-	-	-	(50,699)	(91,281)
Net special events	143,506	139,155	-	-	-	-	143,506	139,155
Legacies and bequests	7,464	26,634	-	-	-	-	7,464	26,634
Foundations and trusts	148,217	175,449	-	-	-	-	148,217	175,449
Contribution of nonfinancial assets	149,581	68,490	78,982	54,191	-	-	228,563	122,681
Other direct support	-	-	-	-	5,650	3,775	5,650	3,775
Total direct support	854,299	720,265	102,876	82,247	5,650	3,775	962,825	806,287
REVENUES:								
Product sales, net	263,156	330,136	-	-	-	-	263,156	330,136
Less: Cost of goods sold	(80,985)	(152,760)	-	-	-	-	(80,985)	(152,760)
Less: Unit commissions	(82,612)	(106,177)	-	-	-	-	(82,612)	(106,177)
Net product sales	99,559	71,199	-	-	-	-	99,559	71,199
Investment income (loss), net (Note 3)	190,579	118,672	501,307	271,298	96,668	-	788,554	389,970
Camping revenue	1,087,798	1,115,958	-	-	-	-	1,087,798	1,115,958
Activity revenue	224,249	258,506	-	-	-	-	224,249	258,506
Activity revenue-major events (See Note 1)	110,591	220	-	-	-	-	110,591	220
Other revenue (See Note 1)	577,346	589,714	1,750	-	-	-	579,096	589,714
Gain on sale of fixed assets	-	-	-	350,000	-	-	-	350,000
Total revenues	2,290,122	2,154,269	503,057	621,298	96,668	-	2,889,847	2,775,567
NET ASSETS RELEASED FROM RESTRICTIONS								
Project sales	6,201	45,088	33,963	55,350	-	-	40,164	100,438
Total Public support and other revenue	\$ 3,150,622	\$ 2,919,622	\$ 639,896	\$ 758,895	\$ 102,318	\$ 3,775	\$ 3,892,836	\$ 3,682,292

See notes to financial statements.

CONNECTICUT YANKEE COUNCIL, INC. BOY SCOUTS OF AMERICA
D.B.A. CONNECTICUT YANKEE COUNCIL, SCOUTING AMERICA
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>Operating Fund</u>		<u>Capital Fund</u>		<u>Endowment Fund</u>		<u>Total Funds</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
EXPENSES:								
Program services	\$ 3,076,540	\$ 3,055,767	\$ 210,685	\$ 170,973	\$ 12	\$ 5,050	\$ 3,287,237	\$ 3,231,790
Management and general	37,638	37,782	5,538	4,487	-	-	43,176	42,269
Fundraising	194,350	195,195	20,793	16,814	6	25	215,149	212,034
Total functional expenses	<u>3,308,528</u>	<u>3,288,744</u>	<u>237,016</u>	<u>192,274</u>	<u>18</u>	<u>5,075</u>	<u>3,545,562</u>	<u>3,486,093</u>
Charter and national service fee	84,685	87,780	-	-	-	-	84,685	87,780
Total Expenses	<u>3,393,213</u>	<u>3,376,524</u>	<u>237,016</u>	<u>192,274</u>	<u>18</u>	<u>5,075</u>	<u>3,630,247</u>	<u>3,573,873</u>
Increase (decrease) in net assets without donor restrictions	<u>(242,591)</u>	<u>(456,902)</u>	<u>402,880</u>	<u>566,621</u>	<u>102,300</u>	<u>(1,300)</u>	<u>262,589</u>	<u>108,419</u>
Changes in Net Assets With Donor Restrictions								
Project sales	6,131	-	51,492	33,592	-	-	57,623	33,592
Foundation and trusts	21,797	-	-	-	10,621	10,040	32,418	10,040
Changes in value of charitable remainder trusts	-	-	-	-	124,461	136,663	124,461	136,663
Change in value or perpetual trusts	-	-	-	-	32,490	23,364	32,490	23,364
Investment income (loss), net (Note 3)	14,916	24,598	-	-	182,527	-	197,443	24,598
Other direct contributions	-	-	-	-	200	-	200	-
Net assets released from restrictions	<u>(6,201)</u>	<u>(45,088)</u>	<u>(33,963)</u>	<u>(55,350)</u>	<u>-</u>	<u>-</u>	<u>(40,164)</u>	<u>(100,438)</u>
Increase (decrease) in net assets with donor restrictions	<u>36,643</u>	<u>(20,490)</u>	<u>17,529</u>	<u>(21,758)</u>	<u>350,299</u>	<u>170,067</u>	<u>404,471</u>	<u>127,819</u>
Change in Net Assets	<u>(205,948)</u>	<u>(477,392)</u>	<u>420,409</u>	<u>544,863</u>	<u>452,599</u>	<u>168,767</u>	<u>667,060</u>	<u>236,238</u>
Net Assets- Beginning of Year	<u>93,431</u>	<u>(152,787)</u>	<u>6,769,707</u>	<u>6,699,263</u>	<u>5,695,353</u>	<u>5,775,777</u>	<u>12,558,491</u>	<u>12,322,253</u>
Board authorized transfers	<u>219,174</u>	<u>723,610</u>	<u>(219,177)</u>	<u>(474,419)</u>	<u>3</u>	<u>(249,191)</u>	<u>-</u>	<u>-</u>
Net Assets- End of Year	<u>\$ 106,657</u>	<u>\$ 93,431</u>	<u>\$ 6,970,939</u>	<u>\$ 6,769,707</u>	<u>\$ 6,147,955</u>	<u>\$ 5,695,353</u>	<u>\$ 13,225,551</u>	<u>\$ 12,558,491</u>

See notes to financial statements.

CONNECTICUT YANKEE COUNCIL, INC. BOY SCOUTS OF AMERICA
D.B.A. CONNECTICUT YANKEE COUNCIL, SCOUTING AMERICA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Supporting Services									
	Program Services		Management and General		Fund Raising		Total Supporting Services		Total Expenses	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Employee Compensation										
Salaries	\$ 1,328,762	\$ 1,300,771	\$ 22,299	\$ 21,829	\$ 82,716	\$ 80,974	\$ 105,015	\$ 102,803	\$ 1,433,777	\$ 1,403,574
Employee benefits	207,989	193,799	4,640	4,323	17,211	16,037	21,851	20,360	229,840	214,159
Payroll taxes	115,529	120,792	1,687	1,764	6,260	6,545	7,947	8,309	123,476	129,101
Employee related expenses	27,169	1,854	777	53	2,858	195	3,635	248	30,804	2,102
Total Employee Compensation	1,679,449	1,617,216	29,403	27,969	109,045	103,751	138,448	131,720	1,817,897	1,748,936
Other Expenses										
Professional fees	38,670	88,768	800	1,837	3,023	6,940	3,823	8,777	42,493	97,545
Supplies	636,952	554,233	239	208	22,784	19,826	23,023	20,034	659,975	574,267
Telephone	19,436	22,115	330	376	1,224	1,393	1,554	1,769	20,990	23,884
Postage and shipping	2,884	2,736	78	74	1,207	1,145	1,285	1,219	4,169	3,955
Occupancy	260,479	259,755	2,623	2,615	12,735	12,699	15,358	15,314	275,837	275,069
Rent and maintenance of equipment	27,698	17,594	158	100	581	369	739	469	28,437	18,063
Printing and publications	12,580	6,562	176	92	4,093	2,135	4,269	2,227	16,849	8,789
Travel	87,818	127,023	757	1,095	4,479	6,478	5,236	7,573	93,054	134,596
Conferences and meetings	24,933	52,031	-	-	-	-	-	-	24,933	52,031
Specific assistance to individuals	132,556	150,972	1,592	1,813	5,895	6,714	7,487	8,527	140,043	159,499
Recognition awards	53,008	56,526	309	329	15,944	17,002	16,253	17,331	69,261	73,857
Interest expense	15,362	17,069	436	484	1,616	1,796	2,052	2,280	17,414	19,349
Insurance	90,151	82,761	808	742	3,000	2,754	3,808	3,496	93,959	86,257
Advertising	5,800	4,813	64	53	2,849	2,364	2,913	2,417	8,713	7,230
Other expenses and bank fees	14,723	22,296	162	246	7,232	10,953	7,394	11,199	22,117	33,495
Total Other Expenses	1,423,050	1,465,254	8,532	10,064	86,662	92,568	95,194	102,632	1,518,244	1,567,886
Expenses Before Depreciation	3,102,499	3,082,470	37,935	38,033	195,707	196,319	233,642	234,352	3,336,141	3,316,822
Depreciation and Amortization	184,738	149,320	5,241	4,236	19,442	15,715	24,683	19,951	209,421	169,271
Total Functional Expenses	<u>\$ 3,287,237</u>	<u>\$ 3,231,790</u>	<u>\$ 43,176</u>	<u>\$ 42,269</u>	<u>\$ 215,149</u>	<u>\$ 212,034</u>	<u>\$ 258,325</u>	<u>\$ 254,303</u>	<u>\$ 3,545,562</u>	<u>\$ 3,486,093</u>
% of Total	<u>92.7%</u>	<u>92.7%</u>	<u>1.2%</u>	<u>1.2%</u>	<u>6.1%</u>	<u>6.1%</u>	<u>7.3%</u>	<u>7.3%</u>	<u>100.0%</u>	<u>100.0%</u>

See notes to financial statements.

CONNECTICUT YANKEE COUNCIL, INC. BOY SCOUTS OF AMERICA
D.B.A. CONNECTICUT YANKEE COUNCIL, SCOUTING AMERICA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>Operating Fund</u>		<u>Capital Fund</u>		<u>Endowment Fund</u>		<u>Total Funds</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in net assets	\$ (205,948)	\$ (477,392)	\$ 420,409	\$ 544,863	\$ 452,599	\$ 168,767	\$ 667,060	\$ 236,238
Adjustments to reconcile increase in net assets to net cash from operating activities:								
Depreciation	-	-	205,743	165,594	-	-	205,743	165,594
Amortization of Goodwill and Intangibles	-	-	3,679	3,678	-	-	3,679	3,678
Net realized (gains) losses on sale of fixed assets	-	-	-	(349,999)	-	-	-	(349,999)
Net realized and unrealized (gain)/loss on investments	-	-	499,619	62,776	(92,070)	80,502	407,549	143,278
Change in value of perpetual trusts	-	-	-	-	(32,490)	(23,363)	(32,490)	(23,363)
(Increase) decrease in operating assets:								
Accounts receivable, net	48,870	(62,376)	754	(7,613)	-	-	49,624	(69,989)
Pledges receivable, net	17,122	(2,914)	-	10,000	-	-	17,122	7,086
Inventories	(4,831)	22,161	-	-	-	-	(4,831)	22,161
Charitable remainder trust	-	8,259	-	-	(135,082)	(146,704)	(135,082)	(138,445)
Prepaid expenses	(39,004)	31,122	-	-	-	-	(39,004)	31,122
Increase (decrease) in operating liabilities:								
Accounts payable and accrued expenses	(13,739)	21,844	(50,902)	50,900	-	-	(64,641)	72,744
Deferred Income	101,737	75,614	-	-	-	-	101,737	75,614
Custodial funds	119,619	(410,918)	1,396	6,251	(30)	30	120,985	(404,637)
NET CASH FROM OPERATING ACTIVITIES	23,826	(794,600)	1,080,698	486,450	192,927	79,232	1,297,451	(228,918)
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of land, buildings and equipment	-	-	(473,673)	(599,973)	-	-	(473,673)	(599,973)
Proceeds from sale of land, building and equipment	-	-	-	350,000	-	-	-	350,000
Net proceeds from sale of investments	-	-	384,273	1,031,300	-	-	384,273	1,031,300
Net purchases of investments	-	-	(999,012)	(995,607)	(341,026)	(113,670)	(1,340,038)	(1,109,277)
NET CASH FROM INVESTING ACTIVITIES	-	-	(1,088,412)	(214,280)	(341,026)	(113,670)	(1,429,438)	(327,950)
CASH FLOWS FROM FINANCING ACTIVITIES								
Net proceeds (payments) from notes payable	-	-	(48,992)	(46,995)	-	-	(48,992)	(46,995)
Finance lease repayments	-	-	(8,163)	(8,139)	-	-	(8,163)	(8,139)
Contributions restricted for long-term investment	-	-	-	-	5,850	3,775	5,850	3,775
Transfers in (out)	219,174	723,610	(219,177)	(474,419)	3	(249,191)	-	-
Interfund loans	-	(736,594)	-	638,430	-	98,164	-	-
NET CASH FROM FINANCING ACTIVITIES	219,174	(12,984)	(276,332)	108,877	5,853	(147,252)	(51,305)	(51,359)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	243,000	(807,584)	(284,046)	381,047	(142,246)	(181,690)	(183,292)	(608,227)
Cash and cash equivalents at beginning of year	217,825	1,025,409	382,047	1,000	144,347	326,037	744,219	1,352,446
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 460,825	\$ 217,825	\$ 98,001	\$ 382,047	\$ 2,101	\$ 144,347	\$ 560,927	\$ 744,219
Cash paid during the year for interest	\$ 16,821	\$ 18,817	\$ 593	\$ 532	\$ -	\$ -	\$ 17,414	\$ 19,349
Noncash transactions-Acquisition of fixed assets with financing	\$ -	\$ -	\$ 263,000	\$ -	\$ -	\$ -	\$ 263,000	\$ -

See notes to financial statements.

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NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Connecticut Yankee Council, Inc. Boy Scouts of America d.b.a. Connecticut Yankee Council, Scouting America (the Council) is a not-for-profit organization, incorporated in the State of Connecticut, and operating in accordance with the Congressional Charter, Bylaws, and Rules and Regulations of Scouting America. During 2025 the Council changed its name from Connecticut Yankee Council, Inc. Boy Scouts of America to Connecticut Yankee Council, Boy Scouts of America d.b.a. Connecticut Yankee Council, Scouting America.

The Council is headquartered in Milford, Connecticut, and serves Fairfield and New Haven counties through the delivery of a high-quality Scouting program to over 9,500 youth and 2,450 volunteer adults. As a local Council, it is the organization's mission to serve others by helping instill values in young people to prepare them to make ethical choices and achieve their full potential. The Council's Scouting programs are:

Cub Scouting (grades K-5)

The program provides a 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. Families can enroll their sons or daughters who are in grades K - 5. The children meet in groups known as dens consisting of six to eight members and all of the dens are members of a pack which meets to celebrate the accomplishments of the children and reinforce the lessons learned through activities.

Lion Program (Grade K)

The Lion program is a family oriented program for kindergarten aged youth and their families. The children and their families are introduced to the program through hands on fun and adventure.

Tiger Cubs (Grade 1)

The Tiger program is a family oriented program for children at the first grade level (or 7 year old). The children and their adult partner participate together in fun and adventure activities.

Cub Scouts (Grades 2-5)

The Cub Scout program introduces ethical decision making to the children through advancement and more advanced activities. The children increase in maturity as parental involvement in activities is more subtle. Den leaders and their assistants become role models for the children. Children in grades four through five begin to prepare themselves for the crossover to Scouts BSA.

Scouts BSA (ages 11-18)

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 and women through the advancement of the program. Scouts progress in rank through achievements, gain additional knowledge and responsibilities, and earn skill-based merit badges that introduce a lifelong hobby or a rewarding career. Scouts BSA enables all eligible youth ages 11-17, to earn the Eagle Scout rank. Scouts BSA is single gender – all-girl troops or all-boy troops. This unique approach allows the organization to maintain the integrity of the single-gender model while also meeting the needs of today's families.

Venturing/Sea Scouts (co-ed ages 14-21)

Provides experiences to help young men and women become mature, responsible, caring adults. Young teens learn leadership skills and participate in challenging outdoor activities, including having access to Boy Scouts camping properties, a year-round sailing program, a recognition program and Youth Protection training.

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Scout Reach/Hispanic Outreach (co-ed ages 5-21)

Serving youth ages 5-21 in underserved and inner-city communities with traditional Scouting programs, STEM activities and Robotics.

Exploring /Learning for Life

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

Sailing School

Sailaway Sailing School enables the Council to better serve the youth and families of coastal Connecticut by providing experiential learning opportunities and access to the Long Island Sound. It's about learning new skills, having adventures, becoming competent in swimming and boating safety, working as a team, learning how to be a leader, and nurturing a respect for our great natural resources, all while making friends and having fun!

The Council operated two camping facilities (Camp Sequassen and John Sherman Hoyt Scout Camp) in 2025 and three camping facilities (Camp Sequassen , John Sherman Hoyt Scout Camp and Camp Wah Wah Taysee -sold in 2024) in 2024.

The Council supports 135 chartered community-based organizations which operate 270 local Scouting units within the Council's geographical area. These organizations include religious, educational, civic, fraternal, labor groups, governments and professional associations. The financial statements do not reflect any items of revenue, expense, assets or liabilities of these individual local Scouting units that are independent and not supported financially by the Council. The Council's website address is www.ctyankee.org.

Basis of Accounting and Presentation

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

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Council, the accounts of the Council are maintained internally in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting purposes into funds that are established according to their nature and purpose and that are separately accounted for. The assets, liabilities and net assets of the Council are accounted for and reported in three self-balancing fund groups as follows:

Operating

Accounts for resources used in carrying on the operations of the Council. Unrestricted net assets may be designated for specific purposes by action of the Executive Board.

Capital

Includes the net book value of the Council's property and equipment, assets generated from the activity of the capital campaign and cash and investments restricted for investment in property and equipment.

Endowment

The endowment fund is normally used to account for amounts of gifts and bequests accepted with legal restrictions based on donor stipulation that the principal be maintained intact in perpetuity, until the occurrence of a specified

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event or for a specified period, and that investment return thereof be expended either for general purposes or for purposes specified by the donor. Investment funds with and without donor restrictions are also included in the endowment fund. Certain donor-restricted net assets have been restricted by donors to be maintained by the Council in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Council considers all highly liquid investments with maturities of 90 days or less and cash in banks to be cash equivalents. The Council maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. The Council believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable and Credit Policies

Accounts receivable are recorded primarily for product sales stated at estimated realizable value. An allowance for uncollectable accounts is based on an analysis of expected collection rates determined from past history. Accounts receivable are written off when deemed uncollectable. There was no allowance for uncollectable accounts balance as of December 31, 2025 and 2024.

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

Inventories

Inventories are carried at the lower of cost or market, with cost determined on a first-in, first-out basis.

Interfund Loans and Board Authorized Transfers

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

During the year ended December 31, 2020, the Council adopted the following interfund policy to eliminate any and all interfund borrowings that are short-term in nature before the fiscal year end. The following interfund transfers, to the extent reflected in an approved budget are authorized and will not be treated as interfund borrowings:

- Payments of principal on mortgages will be treated as interfund transfers from the operating fund to the capital fund, and
- In accordance with the spending policy, transfers from the endowment fund to the operating fund during that year are treated as Board authorized transfers. Previously, investment income on the endowment was reported in the operating fund to the extent authorized by the spending policy. Transfers from the endowment fund to the operating fund that exceeded investment income recognized during that year were treated as Board authorized transfers. The change in accounting policy took place in 2025 with a retrospective application reducing \$188,000 of Board authorized transfers out in 2024 from the endowment fund and endowment investment income. Accordingly, the operating fund operating transfers were reduced by \$188,000 and investment income was increased. There was no impact on net assets.

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The interfund loans at December 31, 2025 and 2024, are the result of the Operating, Endowment and Capital Funds making advances of cash funds to and from each other. During the years ended December 31, 2025 and 2024, the Board authorized transfers from the Capital (\$219,177) to the Operating Fund (\$219,174) and Endowment Funds (\$3) in 2025 and from the Capital Funds (\$474,419) and Endowment Fund (\$249,191) to the Operating Fund (\$723,610) in 2024.

Investments

The Council invests in various debt and equity securities. The Council reports investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses are considered unrestricted unless restricted by donor stipulation or law. Generally, nonmonetary investments received as gifts are immediately sold and recorded at the realized value. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains (losses) on investments include the Council's gains and losses on investments bought and sold as well as held during the year. Realized and unrealized gains and losses and investment income are classified as increases and decreases in net assets.

The Council has a board approved endowment spending policy. The policy defines the total funds available for annual spending from the Endowment Fund in a given year (distributable income) as up to 4.5% in 2025 and 2024 of the Endowment Fund's average market value over the preceding 20 quarters. The objective of the Endowment Fund is to have returns greater than the proposed distribution plus management and trustee fees. The executive committee (subject to the Executive Board's approval) may amend this spending policy.

The Council is investing funds from the sale of properties primarily on capital fund assets and improvements. After soliciting formal proposals, in 2023 the Council selected Gilman Hill Asset Management, LLC to provide investment advisory services for these funds. The primary investment objective is capital preservation with a return greater than short-term interest rates. The time horizon to utilize these funds for capital purposes is 3-5 years.

Property and Equipment

The Council capitalizes all expenditures for building and equipment in excess of \$2,500 and having a useful life of greater than two years. Purchased building and equipment are recorded at cost. Donated building and equipment are recorded at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over their estimated useful lives. Estimated lives for financial reporting purposes are as follows:

Land improvements	10 - 20 years
Buildings	10 - 50 years
Furniture and equipment	3 - 10 years
Vehicles and aquatic equipment	4 - 10 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period.

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Split-Interest Agreements

Split-interest agreements consist of assets placed in trust for the benefit of the Council and other beneficiaries. Revocable split-interest agreements are not recorded as contributions unless enforceable by law. Irrevocable split-interest agreements are recorded as contributions at fair value when the assets are received or when the Council is notified of the existence of the agreement. The accounting treatment varies depending upon the type of agreement created and whether the Council or a third party is the trustee. See Note 9 for further discussion of split-interest agreements.

Pledges/Contributions and Grants

Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give using a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Council's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is recorded when the Council determines, based on historical experience and collection efforts, is uncollectible. As of December 31, 2025 and 2024, pledges receivable net of an allowance for uncollectible pledges were \$6,859 and \$24,735 respectively.

Contributed Nonfinancial Assets

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

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council. Some members of the Council have donated significant amounts of time to the Council in furthering its programs and objectives. However, no amounts have been included in the financial statements for donated members or volunteer services since they did not meet the criteria for recognition.

Activity Revenues-Major Events, Deferred Revenues and Expenses

Deferred revenues and expenses are council cash receipts and disbursements, respectively, that relate to activities, special events, and camping events that are scheduled to occur in a future period. When the event takes place, those receipts and disbursements are then recorded as revenues and expenses, respectively.

Activity Revenues – Major Events primarily consist of the National Jamboree and ConnJam. The National Jamboree takes place every four years. The ConnJam takes place every three years. The most recent ConnJam event took place in 2025. These revenues are derived from activities that do not occur on an annual basis.

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Net Assets

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

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

Net Assets Without Donor Restrictions – Board Designated -Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions but are subject to stipulations imposed by the Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

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

Revenue Recognition

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Council records the following exchange transaction revenue in its statements of activities and changes in net assets for the years ending December 31, 2025 and 2024:

Trading Post sales-The Council operates various Trading Posts at its summer camp(s), which sell Scouting-related merchandise and snack items on a retail basis to customers. The performance obligation is the delivery of the goods 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 Camp Masters Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The Scout packs and troops earn an average commission of 34% on each sale they make, which may be used for Unit activities, such as summer camp. 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 Camp Masters' website. The price the Scout unit pays for the

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popcorn is established by the Council, and each item is individually priced, so no allocation of the transaction price is required. Many BSA units are allowed to purchase popcorn “on account” with payment due at a later date. Per FASB ASU 2014-09, the Council is required to assess the probability of collecting these accounts receivable in order to determine whether there is a substantive transaction between the council and the unit. In making this collectability assessment, the Council exercises judgment and considers all facts and circumstances, including its knowledge of the customer. The Council uses the Camp Masters’ website to track and manage unit accounts receivable. With popcorn sales, the performance obligation is delivery of the product, which is fulfilled by the Council at predetermined times and locations. Revenue recognition occurs when the product has been delivered. The Council presents separately in its statements of activities and changes in net assets gross revenues from popcorn sales, cost of goods sold, and unit commissions (retained by or paid to the unit). Scout units have the right to return to the Council any unsold product, subject to a return-by date of October 25th. As of December 31, 2025 and 2024, no probable popcorn returns existed. Accordingly, no liability for probable customer returns was considered necessary.

Camping and Activity revenue- The Council conducts program-related experiences such as Day Camps, Day Hikes, Weekend Overnights, Camporees, and Summer Camps where the performance obligation is delivery of the program. Fees for camps and activities are set by the Council. For resident camps, fees include program supplies, meals, lodging, recognition items, staffing, and facility costs. As is customary, these items are not separately priced and are therefore considered to be one performance obligation. Activities such as the National Scout Jamboree may include a transportation component in the transaction price. Some special camp programs do incur additional fees (shooting sports, for example), which are separately priced. BSA activities such as Wood Badge may involve program supplies, recognition items, and meals, and are also considered to be one performance obligation. Fees collected in advance of delivery of the camp or activity are initially recognized as liabilities (deferred revenue) and are only recognized in the statements of activities after delivery of the program has occurred.

Special fundraising event revenue- The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event— the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Council. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Council separately presents in its statements of activities and changes in net assets or notes to financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Council in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after delivery of the event. For special event fees received before year-end for an event to occur after year-end, the Council follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

Other Revenue: Other revenue consists primarily of rent revenue and is recognized on a monthly basis as earned and operations fees which are collected upon registration.

Paid Time Off

Employees of the Council are entitled to paid vacation and paid time off, depending on job classification, length of service and other factors. The Council's policy is to recognize the costs of paid time off when taken by the employee.

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Functional Allocation of Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Most expenses can be directly attributed to the program or supporting function. 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 in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, accounting, information technology personnel, and payroll taxes. The basis of allocation of these expenses is the result of a time study of staff performed every 3 years. The percentage of time allocated to each of the programs and the supporting functions is based on the results of the study 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.

Advertising Costs

Advertising costs are expensed when incurred.

Custodial Accounts

Custodial accounts represent amounts held by the Council as custodian for registration fees , amounts on deposit for affiliated Scouting associations for their future use, and amounts on deposit by member units chartered outside the Council for purchases of uniforms and supplies.

Income Tax Status

The Council is a not-for-profit organization and is exempt from federal income taxes on exempt function income as a public charity under Section 501(c)(3) of the Internal Revenue Code; however, the Council is subject to federal income tax on any unrelated business taxable income, and such taxes are included in management and general expenses within the Operating Fund on the statement of activities.

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 records no assets or liability for uncertain tax positions or unrecognized benefits.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements presentation to correspond to the current year's format. Total net assets and changes to net assets are unchanged due to these reclassifications.

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NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS

The Council's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2025</u>	<u>2024</u>
Cash—Operating Fund (net of interfund payable)	\$ 460,825	\$ 217,828
Pledges receivable—Operating Fund	-	17,122
Accounts receivable—Operating Fund	<u>17,204</u>	<u>66,074</u>
Total financial assets as of year end	478,029	301,024
Appropriation from endowment for general expenditure in subsequent year	<u>162,000</u>	<u>177,000</u>
Total financial assets available to meet general expenditures within the next 12 months	<u><u>\$ 640,029</u></u>	<u><u>\$ 478,024</u></u>

The Council's endowment funds consist of donor-restricted and board designated funds. Income from donor-restricted endowments are restricted for specific purposes and, therefore, are not available for general expenditure. As described in Note 14, the endowment has a spending rate of \$177,000 or 4.5% for 2025 and \$188,000 or 4.5% for 2024. The Board approved \$162,000 in appropriations from the endowment for the next twelve months.

NOTE 3 – INVESTMENTS

The following schedule summarizes the investment return for all investments in the statements of activities for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 122,569	\$ 116,702
Realized and unrealized gain (loss)	891,978	323,243
Management fees	<u>(28,550)</u>	<u>(25,377)</u>
	<u><u>\$ 985,997</u></u>	<u><u>\$ 414,568</u></u>

The above investment return is classified in the statements of activities as follows for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investment return recorded:		
Within net assets without donor restrictions	\$ 788,554	\$ 389,970
Within net assets with donor restrictions	<u>197,443</u>	<u>24,598</u>
	<u><u>\$ 985,997</u></u>	<u><u>\$ 414,568</u></u>

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The following schedule summarizes the investment return by fund in the statements of activities for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investment income (loss), net:		
Operating Fund	\$ 205,495	\$ 143,270
Capital Fund-Gilman Hill Investments	501,307	271,298
Endowment Fund	279,195	-
	<u>\$ 985,997</u>	<u>\$ 414,568</u>

The Council invests in a limited partnership that had an original cost of \$4,961,213 and \$4,726,058 as of December 31, 2025 and 2024, respectively. The fair value of the limited partnership was \$4,423,529 and \$3,996,283 as of December 31, 2025 and 2024, respectively.

NOTE 4 - FAIR VALUE

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Fair value inputs used for beneficial interests in perpetual trusts consist of the quoted market prices of the underlying assets in the trusts.

The following is a description of the valuation methodologies used for financial instruments measured at fair value:

Limited Partnership

Interests held by the limited partnership are valued 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, at cost or at a value 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 limited partnership has the ability to determine the fair value of securities not listed or traded on any exchange or on the over-the-counter

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market based on available information. The limited partnership is valued at the number of units held by the Council and the Fund's unit value.

Split-Interest Agreements

Fair value inputs used for split-interest agreements are based on the estimated present value of the future payments to the Council, which is considered to be the fair value of the assets held in trust.

Beneficial Interest in Perpetual Trusts

Beneficial interests in perpetual trusts held by third parties are valued at the present value of the future distributions expected to be received over the term of the agreement, which is measured by the fair values of the underlying assets. The Council cannot access assets in the trust.

There have been no changes in the methodologies used at December 31, 2025 and 2024.

On January 31, 2013, the Connecticut Yankee Council, Inc. Boy Scouts of America invested a substantial portion of its local trust (Endowment Fund) into the BSA Commingled Endowment Fund, LP. The BSA Commingled Endowment Fund, LP, was created in 2008 with BSA Asset Management, LLC (BSAAM) as the General Partner. BSAAM is structured with Boy Scouts of America (BSA) as the sole member (owner).

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. 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.

The following tables set forth by level, within the fair value hierarchy, the Council's assets at fair value as of December 31, 2025 and 2024:

	2025				
	Fair Value Measurements Using			Investments Measured at Net Asset Value (a)	December 31, 2025
	Level 1	Level 2	Level 3		
BSA Comingled Endowment Fund, LP	\$ -	\$ -	\$ -	\$ 4,423,529	\$ 4,423,529
Gilman Hill Investments	3,980,087	-	-		3,980,087
Split-interest agreements (Note 10)	-	1,397,356	-	-	1,397,356
Beneficial interest in trusts (Note 10)	-	-	353,923	-	353,923
Total	<u>\$ 3,980,087</u>	<u>\$ 1,397,356</u>	<u>\$ 353,923</u>	<u>\$ 4,423,529</u>	<u>\$ 10,154,895</u>

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	2024				
	Fair Value Measurements Using			Investments Measured at	December 31,
	Level 1	Level 2	Level 3	Net Asset Value (a)	2024
BSA Comingled Endowment Fund, LP	\$ -	\$ -	\$ -	\$ 3,996,283	\$ 3,996,283
Gilman Hill Investments	3,864,967				3,864,967
Split-interest agreements (Note 10)	-	1,262,274	-	-	1,262,274
Beneficial interest in trusts (Note 10)	-	-	321,433	-	321,433
Total	<u>\$ 3,864,967</u>	<u>\$ 1,262,274</u>	<u>\$ 321,433</u>	<u>\$ 3,996,283</u>	<u>\$ 9,444,957</u>

(a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient, which is a reasonable estimate of fair value, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

There were no transfers between levels of investments during the years ended December 31, 2025 and 2024.

Investments in Entities that Calculate Net Asset Value per Share

The value of the limited partnership investment is calculated using net asset value per share as provided by the partnership. This investment class includes investments in US Equity, Non-US Equity, Real Estate, Fixed Investment Grade Bonds and High Yield Bonds that seek to provide long-term equity returns over time. The balance within this investment as of December 31, 2025 and 2024, was \$4,423,529 and \$3,996,283, respectively.

There were no unfunded commitments as of these dates. The Council has the ability to redeem the investment on a monthly basis with ten days written notice. The redemptions were changed to a quarterly basis as of September 30, 2023.

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Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)

The following is a summary of the changes in the balances of investments measured at fair value on a recurring basis using significant unobservable inputs for the years ended December 31, 2025 and 2024:

<u>Beneficial Interest in Trusts</u>	<u>2025</u>	<u>2024</u>
Balance- beginning of year	\$ 321,433	\$ 298,070
Total gain (loss) (realized and unrealized) included in the change in net assets	<u>32,490</u>	<u>23,363</u>
Balance- end of year	<u>\$ 353,923</u>	<u>\$ 321,433</u>

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable consist of the following for the year ended December 31, 2025 and 2024:

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total 2025</u>
Scout Units - popcorn sales	\$ 8,951	\$ -	\$ -	\$ 8,951
Rents receivable	2,135	-	-	2,135
Other	<u>6,118</u>	<u>-</u>	<u>-</u>	<u>6,118</u>
Total accounts receivable	17,204	-	-	17,204
Less allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Accounts Receivable	<u>\$ 17,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,204</u>

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total 2024</u>
Scout Units - popcorn sales	\$ 5,785	\$ -	\$ -	\$ 5,785
Rents receivable	2,289	-	-	2,289
Other	<u>58,000</u>	<u>-</u>	<u>-</u>	<u>58,000</u>
Total accounts receivable	66,074	-	-	66,074
Less allowance for uncollectible	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Accounts Receivable	<u>\$ 66,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,074</u>

Allowances for uncollectable accounts are established based on prior collection experiences and current economic factors, which, in management's judgment, could influence the ability of customers to repay the amounts. No allowance for uncollectable accounts was deemed necessary as of December 31, 2025 and 2024. There were no write-offs, net of recoveries for uncollectable accounts for the years ended December 31, 2025 and 2024.

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NOTE 6 - PLEDGES RECEIVABLE

The Council presents pledges receivable net of an allowance for doubtful pledges. The allowance is based on prior years' experience and management's analysis of specific pledges made. Pledges receivable are written off only when management believes amounts will not be collected. Credit loss expense related to pledges receivable was \$2,135 and \$0 for the years ended December 31, 2025 and 2024, respectively. Unconditional pledges receivable as of December 31, 2025 are expected to be collected as follows:

	Operating Fund	Capital Fund	Endowment Fund	Total 2025
Receivable in less than one year:				
Friends of scouting	\$ 2,135	\$ -	\$ -	\$ 2,135
Other	<u>-</u>	<u>6,859</u>	<u>-</u>	<u>6,859</u>
Total pledges receivable	2,135	6,859	-	8,994
Less allowance for uncollectible pledges	<u>(2,135)</u>	<u>-</u>	<u>-</u>	<u>(2,135)</u>
Net Pledges Receivable	<u><u>\$ -</u></u>	<u><u>\$ 6,859</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,859</u></u>

Unconditional pledges receivable as of December 31, 2024 were expected to be collected as follows:

	Operating Fund	Capital Fund	Endowment Fund	Total 2024
Receivable in less than one year:				
Friends of scouting	\$ 11,300	\$ -	\$ -	\$ 11,300
Other	<u>5,822</u>	<u>7,613</u>	<u>-</u>	<u>13,435</u>
Total pledges receivable	17,122	7,613	-	24,735
Less allowance for uncollectible pledges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receivable in greater than one year:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Pledges Receivable	<u><u>\$ 17,122</u></u>	<u><u>\$ 7,613</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 24,735</u></u>

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NOTE 7 – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment at December 31, 2025 and 2024 consist of the following:

	December 31,	
	2025	2024
Land and improvements	\$ 710,021	\$ 704,949
Buildings and improvements	4,045,179	3,431,570
Furniture, fixtures and equipment	205,429	242,983
Automotive and aquatic equipment	857,928	653,275
Construction in progress	143,781	327,750
	5,962,338	5,360,527
Less: accumulated depreciation	(2,387,174)	(2,324,433)
Land, buildings and equipment, net	<u>\$ 3,575,164</u>	<u>\$ 3,036,094</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$205,743 and \$165,593, respectively.

Construction in progress as of December 31, 2025 represent the shower house improvements at Camp Sequassen, which is expected to be completed in 2026.

NOTE 8 – GOODWILL AND INTANGIBLES

The followings table summarizes the changes in carrying amount of goodwill and intangibles for the years ended December 31, 2025 and 2024:

	2025	2024
Website, URLs and Business name	\$ 30,000	\$ 30,000
Goodwill	10,000	10,000
	40,000	40,000
Less: Accumulated amortization	(14,250)	(10,571)
Goodwill and intangibles, net	<u>\$ 25,750</u>	<u>\$ 29,429</u>

Goodwill and intangibles are amortized on straight-line basis over 10 years. Amortization expense for the years ended December 31, 2025 and 2024, was \$3,679 and \$3,679, respectively.

NOTE 9 – SPLIT-INTEREST AGREEMENTS

Beneficial Interest in Perpetual Trusts

The Council is the beneficiary under various perpetual care trusts administered by a third party. The income distributed from the trusts in 2025 and 2024 was \$14,916 and \$11,776, respectively. Income distributed from the trusts, if any, is recorded in the statements of activities as investment income in the Operating Fund. The Council's interest in these trusts is recorded in the statements of financial position (Endowment Fund) as other assets and donor restricted net assets. The value at December 31, 2025 and 2024, was \$353,923 and \$321,433, respectively. The perpetual care trusts provide contributions to the Council for general purposes.

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Charitable Remainder Trusts

The Council is a named beneficiary in two charitable remainder trusts. These trusts represent an arrangement in which a donor establishes and funds a trust that is held by a third party with the grantor as the named life beneficiary. The trusts provide for the payment of distributions to the grantor or other designated beneficiaries over the trust's term, usually the designated beneficiary's lifetime. At the end of the trust's term, the remaining assets are available for the Council's use. The portion of the trusts attributable to the present value of the future benefits to be received by the Council were recognized in the statements of activities as donor restricted contributions during the years ended December 31, 2025 and 2024.

NOTE 10 - LINE OF CREDIT

The Council has an available line of credit in the amount of \$300,000 as of December 31, 2025 and 2024 with Newtown Savings Bank. Interest accrues at the bank's floating prime rate, which was 6.75% and 8.5% as of December 31, 2025 and 2024, respectively. The line of credit is collateralized by substantially all of the Council's assets. There was no outstanding balance as of December 31, 2025 and 2024, respectively.

NOTE 11 – LONG-TERM DEBT

Mortgages and notes payable at December 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Mortgage payable to bank in monthly principal and interest payments of \$5,484 through September 21, 2032. The loan was at a 4.0% fixed interest rate. Mortgage is secured by an interest in the Council's facility at 60 Wellington Road, Milford, Connecticut.	\$ 388,050	\$ 437,042
Note payable to John Deere Financial, due January 2030, payable in monthly installments of \$2,808 including interest of 0%, secured by the equipment.	137,800	-
Note payable to John Deere Financial, due January 2031, payable in monthly installments of \$2,052 including interest of 0%, secured by the equipment.	<u>125,200</u>	<u>-</u>
	651,050	437,042
Less current portion	<u>(109,579)</u>	<u>(49,245)</u>
Noncurrent Portion	<u>\$ 541,471</u>	<u>\$ 387,797</u>

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Maturities of long-term debt as of December 31, 2025 is as follows:

Year Ending December 31

2026	\$ 109,579
2027	49,286
2028	51,294
2029	53,386
2030	55,513
Thereafter	<u>331,992</u>
	<u>\$ 651,050</u>

NOTE 12 – NET ASSETS WITH RESTRICTIONS AND WITHOUT RESTRICTIONS-BOARD DESIGNATIONS

Net assets with donor restrictions or without restrictions-board designated for the year ended December 31, 2025 are restricted for the following purposes or periods:

	<u>Net Assets with Donor Restrictions</u>			<u>Without Restrictions- Board Designated</u>	
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Capital and Endowment Funds</u>	<u>2025 Total</u>
<u>Subject to expenditures for a specific purpose:</u>					
Project Sales	\$ 35,926	\$ -	\$ -	\$ -	\$ 35,926
Capital development	-	86,271	-	3,230,720	3,316,991
<u>Endowment:</u>					
Subject to endowment spending policy and appropriation	-	-	-	1,713,670	1,713,670
Program activities	-	-	2,711,960	-	2,711,960
<u>Subject to appropriation and expenditure when a specific event occurs:</u>					
Program activities	6,106	-	-	-	6,106
Residual trusts	-	-	353,923	-	353,923
Charitable remainder trusts	<u>-</u>	<u>-</u>	<u>1,368,402</u>	<u>-</u>	<u>1,368,402</u>
Total net assets with donor restrictions	<u>\$ 42,032</u>	<u>\$ 86,271</u>	<u>\$ 4,434,285</u>	<u>\$ 4,944,390</u>	<u>\$ 9,506,978</u>

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Net assets with donor restrictions or without restrictions-board designated for the year ended December 31, 2024 are restricted for the following purposes or periods:

	<u>Net Assets with Donor Restrictions</u>			<u>Without Restrictions- Board Designated</u>	
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Capital and Endowment Funds</u>	<u>2024 Total</u>
<u>Subject to expenditures for a specific purpose:</u>					
Project Sales	\$ 20,305	\$ -	\$ -	\$ -	\$ 20,305
Capital development	-	68,742	-	3,230,720	3,299,462
<u>Endowment:</u>					
Subject to endowment spending policy and appropriation	-	-	-	1,611,024	1,611,024
Program activities	-	-	2,529,576	-	2,529,576
<u>Subject to appropriation and expenditure when a specific event occurs:</u>					
Residual trusts	-	-	321,433	-	321,433
Charitable remainder trusts	-	-	1,233,320	-	1,233,320
Total net assets with donor restrictions	<u>\$ 20,305</u>	<u>\$ 68,742</u>	<u>\$ 4,084,329</u>	<u>\$ 4,841,744</u>	<u>\$ 9,015,120</u>

NOTE 13 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the following purposes for the years ended December 31, 2025 and 2024 as follows:

<u>2025</u>				
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total</u>
Project sales	<u>\$ 6,201</u>	<u>\$ 33,963</u>	<u>\$ -</u>	<u>\$ 40,164</u>
<u>2024</u>				
	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total</u>
Project sales	<u>\$ 45,088</u>	<u>\$ 55,350</u>	<u>\$ -</u>	<u>\$ 100,438</u>

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NOTE 14 – ENDOWMENT FUND

The Council's endowment consists of approximately ten individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Executive Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Executive Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. (See Note 12)

Interpretation of Relevant Law

The Executive Board of the Council has determined that the Council is subject to the Connecticut Statute - Uniform Prudent Management of Institutional Funds Act (UPMIFA) and has interpreted it as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as assets with donor restrictions as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment fund that is not classified in assets with donor restrictions is classified as net assets without donor restrictions-Board Designated until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Council donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Council
- The investment policies of the Council

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Endowment Net Assets

Changes in the endowment net assets by type of fund for the years ended December 31, 2025 and 2024, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - January 1, 2024	\$ 1,744,798	\$ 4,030,979	\$ 5,775,777
Investment return:			
Interest and dividend income, net	30,411	55,706	86,117
Net appreciation (realized and unrealized)	10,221	20,559	30,780
Total investment return	40,632	76,265	116,897
Contributions	3,775	-	3,775
Change in Charitable Remainder Trusts	-	146,704	146,704
Change in Beneficial interest in perpetual trusts	-	23,364	23,364
Spending policy	(80,032)	(107,968)	(188,000)
Other transfers	(93,149)	(85,015)	(178,164)
Other expenses	(5,000)	-	(5,000)
Endowment Net Assets - December 31, 2024	1,611,024	4,084,329	5,695,353
Investment return:			
Interest and dividend income, net	27,951	55,964	83,915
Net appreciation (realized and unrealized)	144,409	256,686	401,095
Total investment return	172,360	312,650	485,010
Contributions	5,650	200	5,850
Change in Charitable Remainder Trusts	-	135,082	135,082
Change in Beneficial interest in perpetual trusts	-	32,490	32,490
Spending policy	(75,349)	(101,651)	(177,000)
Other transfers/distributions	3	(28,815)	(28,812)
Other expenses	(18)	-	(18)
Endowment Net Assets - December 31, 2025	<u>\$ 1,713,670</u>	<u>\$ 4,434,285</u>	<u>\$ 6,147,955</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Council to retain as a fund of perpetual duration. For the years ended December 31, 2025 and 2024 there were no deficiencies in net assets with or without donor restrictions.

Return Objectives and Risk Parameters

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Council must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the

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Executive Board, the endowment assets shall be invested in a diversified portfolio of investments that will enhance the total return while avoiding undue risk concentration in any single asset class or investment style.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Council has a policy of appropriating for distribution each year up to 4.5% for 2025 and 2024 of its endowment fund's average market value over the preceding 20 quarters through September 30 of the preceding fiscal year in which the distribution is planned. In establishing this policy, the Council considered the long-term expected return on its endowment. Accordingly, over the long-term, the Council expects the current spending policy to allow its endowment to grow. This is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. At various times, the Executive Board approved temporary loans from the endowment. No loans were approved for the year ended December 31, 2025 and 2024.

NOTE 15 – EMPLOYEE BENEFIT PLANS

BSA Retirement Plan for Employees

The National Council has a qualified defined benefit pension plan (“the plan”) administered at the National Service Center that covers employees of the National Council and local councils, including the Council. The plan name is the Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees. Effective December 31, 2018, the plan was frozen to employees with less than 15 years of vesting service, and whose age plus vesting service equaled less than 60 as of December 31, 2018 (non-grandfathered employees).

From January 1, 2020 through July 31, 2020, employees with at least 15 years of vesting service and whose age plus vesting service equaled 60 or more as of December 31, 2018 (grandfathered employees) contributed 4.25 percent of compensation to the plan. Effective August 1, 2020, the plan was frozen to grandfathered employees, thereby freezing the plan for all BSA employees. The Council contributes 7.75 percent of eligible employees’ compensation to the BSA retirement program. Pension expense (excluding the contributions made by employees) was approximately \$100,328 and \$121,140 in 2025 and 2024, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2023, 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 contributed approximately \$31,879 and \$21,317 to the BSA Match Savings Plan in 2025 and 2024, respectively.

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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 costs 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 \$87,250 and \$73,480, respectively, on behalf of its employees to the National Council related to the health care plan.

NOTE 16 – CONCENTRATION

The Council purchases all of its popcorn for fundraisers from one supplier. Although this concentration exists, there are other suppliers available to the Council. The Council believes it can replace its popcorn supplier, if necessary, without experiencing any significant additional costs.

NOTE 17 – LEASE INCOME

The Council acts as lessor under operating lease agreements for tenant space at its facility located at 60 Wellington Road, Milford, Connecticut. In accordance with FASB ASC 842, Leases, lease income under these operating leases is recognized on a straight-line basis over the respective lease terms and is classified within other revenue on the Statements of Activities and Changes in Net Assets. The Council does not have any variable lease payments or lease incentives under these arrangements. The lease terms are as follows:

#	Lease Description	Commencement Date	Lease Term	Expiration Date (Renewal Options)	Monthly Rent / Escalation Terms	Annual Escalation Rate	Lease Income Year Ended December 31, 2025	Lease Income Year Ended December 31, 2024
1	Tenant A (Office – Original / Renewal Lease)	November 1, 2022 (Renewal)	5-Year Renewal expired June 30, 2021; currently month-to-month	October 31, 2027 (One additional 5-year renewal option remaining)	Annual rate per sq ft. Escalates 2.5% per year.	2.5% per year	\$122,771	\$119,808
2	Tenant B (Office – Month-to-Month)	2018	Month-to-Month (expired June 30, 2021)		\$700/mo (months 1–24) \$721/mo (months 25–36)	Fixed steps	-	8,652
3	Tenant C (Office – 36-Month Lease)	2022	36 Months	March 31, 2025	\$420/mo (months 1–12) \$435/mo (months 13–24) \$450/mo (months 25–36) \$1,500/mo (months 1–12)	Fixed steps	5,535	5,355
4	Tenant D (Office – 36-Month Lease)	December 2021	36 Months	November 30, 2024 (continued per agreement)	\$1,545/mo (months 13–24) \$1,591/mo (months 25–36)	Fixed steps	19,680	19,092
5	Tenant E (Office – New Lease, Jan 2025)	January 1, 2025 (signed October 2024)	36 Months	December 31, 2027	\$800/mo (months 1–12) \$825/mo (months 13–24) \$850/mo (months 25–36)	Fixed steps	9,600	-
6	Tenant F (Office – New Lease, Jan 2025)	January 1, 2025 (signed December 2024)	24 Months	December 31, 2026	\$150/mo (months 1–12) \$155/mo (months 13–24)	Fixed steps	1,800	-
Total							\$ 159,386	\$ 152,907

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Future annual lease income in subsequent years is as follows:

Year Ending December 31

2026	\$ 152,270
2027	154,675
2028	<u>1,485</u>
Total	<u>\$ 308,430</u>

NOTE 18 - LEASES

The Council leases equipment at various terms under long-term non-cancelable finance lease agreements. The leases expire at various dates through 2027. The Council includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Council estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the Council's applicable borrowing rates and the contractual lease term.

The Council has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Council applied the risk-free rate option to the office equipment classes of assets.

Lease cost for the years ended December 31, 2025 and 2024 is as follows:

Finance Lease Cost:	<u>2025</u>	<u>2024</u>
Interest expense	<u>\$ 393</u>	<u>\$ 532</u>
Amortization of right-of-use assets	<u>\$ 6,979</u>	<u>\$ 6,224</u>

Right-of-use (ROU) assets obtained in exchange for lease liabilities were \$31,717 and \$14,459 for December 31, 2025 and 2024.

The weighted-average remaining lease term for the finance leases is 3 years for the year ended December 31, 2025. The weighted-average discount rate for finance leases is 1.25% for the year ended December 31, 2025.

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Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2026	\$ 14,453
2027	10,548
2028	<u>7,881</u>
Total lease payments	32,882
Less interest	<u>(1,951)</u>
Present value of lease liabilities	<u><u>\$ 30,931</u></u>

NOTE 19 - SCOUT SHOP

The Council outsources its Milford Scout shop operations to the National Council Boy Scouts of America. The Council receives 8% of gross sales as rent, which amounted to \$40,838 and \$37,147 for the years ended December 31, 2025 and 2024, respectively. Scout shop revenue is recognized in other revenue on the statements of activities.

NOTE 20 – CONTRIBUTED NONFINANCIAL ASSETS

The Council is dependent upon donated materials from diverse groups to fulfill its mission. For the years ended December 31, 2025 and 2024, donated materials recorded in the financial statements as in-kind contributions are as follows:

	<u>2025</u>	<u>2024</u>
Building, Equipment and Leasehold improvements	\$ 51,685	\$ 54,191
Materials and Supplies	15,866	43,490
Services	<u>161,012</u>	<u>25,000</u>
Total contributed nonfinancial assets	<u><u>\$ 228,563</u></u>	<u><u>\$ 122,681</u></u>

The Council recognizes contributed nonfinancial assets within revenue, including contributed land, aquatic equipment, building and leasehold improvements, supplies and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Generally, contributed land is immediately sold and recorded at the realized value.

Contributed building and leasehold improvements were for the material and services provided by the construction professionals used for the maintenance of buildings. The estimated fair value in the financial statements is based on current rates for similar material and services.

Contributed materials and supplies were utilized in the Council's activities, special events and activities. The Council estimates the fair value based on wholesale values that would be received for selling similar products in the United States.

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Contributed services recognized comprise marketing services, camp hosting related services and other services received by the Council on various events. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

NOTE 21 – SALE OF ASSETS

During the year ended December 31, 2024, the Council sold Camp Wah Wah Taysee for \$350,001, with a net book value of \$1. The gain recognized net of selling expenses was \$350,000 and was recorded in Gain on sale of fixed assets on the statement of activities.

NOTE 22 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated subsequent events through June 8, 2026, which represents the date the financial statements were available to be issued and determined that there have been no events that have occurred that would require adjustments to our disclosures in the financial statements.