

**AUDITED FINANCIAL STATEMENTS  
PREPARED FOR**

**Juniata Valley Council, Inc.  
Boy Scouts of America**

**FOR THE YEARS ENDED**

---

**DECEMBER 31, 2015  
AND 2014**

---



**Huber & Associates**

---

**Regional Offices:**

14 East 3<sup>rd</sup> Street > P.O. Box 948 > Lewistown, PA 17044 > Phone: (717) 248-3334 > Fax: (717) 248-0900  
3601 North Progress Avenue > Suite 200 > Harrisburg, PA 17110 > Phone: (717) 540-1880 > Fax: (717) 541-9217  
Email: [Huber@HuberAssociates.com](mailto:Huber@HuberAssociates.com)

---

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	8



*The Complete Business Solution*

3601 N. Progress Avenue  
Suite 200  
Harrisburg, PA 17110  
(717) 540-1880  
Fax: (717) 541-9217

---

---

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Juniata Valley Council, Inc.  
Boy Scouts of America  
9 Taylor Drive  
Reedsville, PA 17084

We have audited the accompanying financial statements of Juniata Valley Council, Inc. Boy Scouts of America (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

---

---

#### **Regional Offices:**

14 East 3<sup>rd</sup> Street > P.O. Box 948 > Lewistown, PA 17044 > Phone: (717) 248-3334 > Fax: (717) 248-0900  
3601 North Progress Avenue > Suite 200 > Harrisburg, PA 17110 > Phone: (717) 540-1880 > Fax: (717) 541-9217

---

---

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Juniata Valley Council, Inc. Boy Scouts of America, as of December 31, 2015 and 2014, 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.

*Huber & Associates*

Harrisburg, Pennsylvania  
June 10, 2016

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015 AND 2014

	Operating Fund		Capital Fund		Endowment Fund		Totals for All Funds	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>								
Current Assets								
Cash	\$ 80,246	\$ 113,214	\$ 102,397	\$ 4,986	\$ 17,530	\$ 6,720	\$ 200,173	\$ 124,920
Accounts receivable	242	2,354	-	-	-	-	242	2,354
Pledges receivable	4,468	11,283	-	-	6,000	6,000	10,468	17,283
Inventory	47,576	36,741	-	-	-	-	47,576	36,741
Interfund loans	48,837	48,837	(48,837)	(48,837)	-	-	-	-
Prepaid expenses	15,843	16,737	-	-	-	-	15,843	16,737
Total Current Assets	197,212	229,166	53,560	(43,851)	23,530	12,720	274,302	198,035
Property and Equipment, Net	-	-	782,804	786,151	-	-	782,804	786,151
Long Term Investments	-	-	-	-	811,915	760,486	811,915	760,486
<b>TOTAL ASSETS</b>	<b>\$ 197,212</b>	<b>\$ 229,166</b>	<b>\$ 836,364</b>	<b>\$ 742,300</b>	<b>\$ 835,445</b>	<b>\$ 773,206</b>	<b>\$ 1,869,021</b>	<b>\$ 1,744,672</b>
<b>LIABILITIES AND NET ASSETS</b>								
Current Liabilities								
Accounts payable	\$ 16,524	\$ 12,076	\$ 3,393	\$ 1,826	\$ -	\$ -	\$ 19,917	\$ 13,902
Notes payable	-	67,000	-	-	-	-	-	67,000
Accrued expenses	4,687	4,434	-	-	-	-	4,687	4,434
Custodian accounts	119,101	114,312	-	-	-	-	119,101	114,312
Deferred income	6,900	11,043	-	-	-	-	6,900	11,043
<b>TOTAL LIABILITIES</b>	<b>147,212</b>	<b>208,865</b>	<b>3,393</b>	<b>1,826</b>	<b>-</b>	<b>-</b>	<b>150,605</b>	<b>210,691</b>
Net Assets								
Unrestricted	50,000	20,301	757,600	740,474	281,737	230,308	1,089,337	991,083
Temporarily restricted	-	-	75,371	-	-	-	75,371	-
Permanently restricted	-	-	-	-	553,708	542,898	553,708	542,898
<b>TOTAL NET ASSETS</b>	<b>50,000</b>	<b>20,301</b>	<b>832,971</b>	<b>740,474</b>	<b>835,445</b>	<b>773,206</b>	<b>1,718,416</b>	<b>1,533,981</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 197,212</b>	<b>\$ 229,166</b>	<b>\$ 836,364</b>	<b>\$ 742,300</b>	<b>\$ 835,445</b>	<b>\$ 773,206</b>	<b>\$ 1,869,021</b>	<b>\$ 1,744,672</b>

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Operating Fund		Capital Fund		Endowment Fund		Totals for All Funds	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>UNRESTRICTED SUPPORT AND REVENUE</b>								
Direct Public Support								
Friends of Scouting	\$ 76,439	\$ 101,148	\$ -	\$ -	\$ -	\$ -	\$ 76,439	\$ 101,148
Special events	116,182	75,538	-	-	-	-	116,182	75,538
Direct benefit costs	(16,390)	(15,563)	-	-	-	-	(16,390)	(15,563)
Net special events	99,792	59,975	-	-	-	-	99,792	59,975
Legacies and bequests	162,582	19,254	-	-	-	-	162,582	19,254
Other direct support	4,019	12,220	85,421	18,200	-	-	89,440	30,420
Total Direct Public Support	342,832	192,597	85,421	18,200	-	-	428,253	210,797
Indirect Public Support								
United Way	96,564	100,417	-	-	-	-	96,564	100,417
DCED grant	1,907	5,520	-	-	-	-	1,907	5,520
Total Indirect Public Support	98,471	105,937	-	-	-	-	98,471	105,937
Unrestricted Revenue								
Sales of supplies	75,838	76,977	-	-	-	-	75,838	76,977
Cost of goods sold	(62,866)	(58,149)	-	-	-	-	(62,866)	(58,149)
Net Sales of supplies	12,972	18,828	-	-	-	-	12,972	18,828
Product sales	205,536	181,904	-	-	-	-	205,536	181,904
Cost of goods sold	(67,663)	(61,847)	-	-	-	-	(67,663)	(61,847)
Commissions	(64,483)	(54,811)	-	-	-	-	(64,483)	(54,811)
Net Product sales	73,390	65,246	-	-	-	-	73,390	65,246
Return on investments	97	52	61	5	42,344	25,973	42,502	26,030
Camping revenue	197,593	213,980	-	-	-	-	197,593	213,980
Activity revenue	32,691	23,677	-	-	-	-	32,691	23,677
Other revenue and (expense)	20,854	18,897	-	(164)	-	-	20,854	18,733
Total Unrestricted Revenue	337,597	340,680	61	(159)	42,344	25,973	380,002	366,494
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUE</b>	<b>778,900</b>	<b>639,214</b>	<b>85,482</b>	<b>18,041</b>	<b>42,344</b>	<b>25,973</b>	<b>906,726</b>	<b>683,228</b>
Net assets released from restrictions	-	3,184	-	2,600	-	218	-	6,002
<b>TOTAL UNRESTRICTED SUPPORT, REVENUE, AND OTHER SUPPORT</b>	<b>778,900</b>	<b>642,398</b>	<b>85,482</b>	<b>20,641</b>	<b>42,344</b>	<b>26,191</b>	<b>906,726</b>	<b>689,230</b>
<b>FUNCTIONAL EXPENSES</b>								
Program services	538,671	548,202	40,871	40,233	-	2,963	579,542	591,398
Management and general	56,601	64,828	4,051	4,382	4,135	624	64,787	69,834
Fundraising	46,985	47,697	-	-	-	311	46,985	48,008
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>642,257</b>	<b>660,727</b>	<b>44,922</b>	<b>44,615</b>	<b>4,135</b>	<b>3,898</b>	<b>691,314</b>	<b>709,240</b>
Charter and National Service Fee	9,007	8,715	-	-	-	-	9,007	8,715
<b>TOTAL EXPENSES</b>	<b>651,264</b>	<b>669,442</b>	<b>44,922</b>	<b>44,615</b>	<b>4,135</b>	<b>3,898</b>	<b>700,321</b>	<b>717,955</b>
Unrealized gain and (loss) on investments	-	-	-	-	(32,780)	19,710	(32,780)	19,710
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</b>	<b>127,636</b>	<b>(27,044)</b>	<b>40,560</b>	<b>(23,974)</b>	<b>5,429</b>	<b>42,003</b>	<b>173,625</b>	<b>(9,015)</b>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>								
Net assets released from restrictions	-	(3,184)	-	(2,600)	-	(218)	-	(6,002)
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>								
Endowment fund contributions	-	-	-	-	10,810	5,700	10,810	5,700
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>127,636</b>	<b>(30,228)</b>	<b>40,560</b>	<b>(26,574)</b>	<b>16,239</b>	<b>47,485</b>	<b>184,435</b>	<b>(9,317)</b>
NET ASSETS-BEGINNING	20,301	27,947	740,474	745,851	773,206	769,500	1,533,981	1,543,298
Transfers (to) from other funds	(97,937)	22,582	51,937	21,197	46,000	(43,779)	-	-
<b>NET ASSETS-ENDING</b>	<b>\$ 50,000</b>	<b>\$ 20,301</b>	<b>\$ 832,971</b>	<b>\$ 740,474</b>	<b>\$ 835,445</b>	<b>\$ 773,206</b>	<b>\$ 1,718,416</b>	<b>\$ 1,533,981</b>

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals for All Funds</u>	
				<u>2015</u>	<u>Summary 2014</u>
<b>OPERATING FUND</b>					
Beginning balance	\$ 20,301	\$ -	\$ -	\$ 20,301	\$ 27,947
Transfers	(97,937)	-	-	(97,937)	22,582
Release of restrictions	-	-	-	-	(3,184)
Increase (decrease) in net assets	<u>127,636</u>	<u>-</u>	<u>-</u>	<u>127,636</u>	<u>(27,044)</u>
ENDING BALANCE	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>20,301</u>
<b>CAPITAL FUND</b>					
Beginning balance	740,474	-	-	740,474	745,851
Transfers	51,937	-	-	51,937	21,197
Release of restrictions	-	-	-	-	(2,600)
Increase (decrease) in net assets	<u>(34,811)</u>	<u>75,371</u>	<u>-</u>	<u>40,560</u>	<u>(23,974)</u>
ENDING BALANCE	<u>757,600</u>	<u>75,371</u>	<u>-</u>	<u>832,971</u>	<u>740,474</u>
<b>ENDOWMENT FUND</b>					
Beginning balance	230,308	-	542,898	773,206	769,500
Transfers	46,000	-	-	46,000	(43,779)
Release of restrictions	-	-	-	-	(218)
Increase (decrease) in net assets	<u>5,429</u>	<u>-</u>	<u>10,810</u>	<u>16,239</u>	<u>47,703</u>
ENDING BALANCE	<u>281,737</u>	<u>-</u>	<u>553,708</u>	<u>835,445</u>	<u>773,206</u>
<b>TOTAL ENDING NET ASSETS</b>	<b>\$ <u>1,089,337</u></b>	<b>\$ <u>75,371</u></b>	<b>\$ <u>553,708</u></b>	<b>\$ <u>1,718,416</u></b>	<b>\$ <u>1,533,981</u></b>

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>	
	<u>Services</u>	<u>and General</u>		<u>2015</u>	<u>Summary</u>
					<u>2014</u>
Salaries and wages	\$ 245,615	\$ 37,035	\$ 18,517	\$ 301,167	\$ 313,471
Employee benefits	41,689	7,853	3,926	53,468	72,080
Payroll taxes	20,290	2,849	1,425	24,564	24,730
Professional fees	15,098	3,131	1,566	19,795	15,392
Supplies	65,355	539	4,913	70,807	79,293
Telephone	4,428	511	255	5,194	5,395
Postage and shipping	3,727	770	474	4,971	5,869
Occupancy	64,985	1,879	1,274	68,138	54,110
Rental and maintenance of equipment	2,872	299	149	3,320	3,293
Printing and publications	3,193	336	5,055	8,584	6,056
Travel	22,934	1,498	749	25,181	30,940
Conferences and meetings	3,745	479	240	4,464	2,630
Assistance to individuals	3,041	-	-	3,041	2,644
Recognitions awards	10,774	30	5,951	16,755	14,468
Insurance	19,457	1,535	768	21,760	21,216
Depreciation	40,871	4,051	-	44,922	44,615
Other expenses	10,648	1,819	1,637	14,104	11,344
Interest	820	173	86	1,079	1,694
<b>Total Expenditures</b>	<b>\$ 579,542</b>	<b>\$ 64,787</b>	<b>\$ 46,985</b>	<b>\$ 691,314</b>	<b>\$ 709,240</b>



**JUNIATA VALLEY COUNCIL, INC.**  
**BOY SCOUTS OF AMERICA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	Operating Fund		Capital Fund		Endowment Fund		Totals for All Funds	
	2015	2014	2015	2014	2015	2014	2015	2014
Cash Flows from Operating Activities:								
Increase (decrease) in net assets	\$ 29,699	\$ (7,646)	\$ 92,497	\$ (5,377)	\$ 62,239	\$ 3,706	\$ 184,435	\$ (9,317)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities								
Depreciation and amortization expense	-	-	44,922	44,615	-	-	44,922	44,615
Unrealized (gain) or loss on investments	-	-	-	-	32,780	(19,710)	32,780	(19,710)
(Increase) Decrease in:								
Accounts receivable	2,112	20,028	-	-	-	-	2,112	20,028
Pledges receivable	6,815	7,606	-	-	-	-	6,815	7,606
Prepaid expenses	894	7,982	-	-	-	-	894	7,982
Interfund loan	-	2,489	-	(2,489)	-	-	-	-
Inventory	(10,835)	1,867	-	-	-	-	(10,835)	1,867
Increase (Decrease) in:								
Accounts payable	4,448	(1,803)	1,567	1,826	-	-	6,015	23
Accrued expenses	253	-	-	-	-	-	253	-
Custodian accounts	4,789	19,084	-	-	-	-	4,789	19,084
Deferred income	(4,143)	2,656	-	-	-	-	(4,143)	2,656
Net Cash Provided (Used) by Operating Activities	34,032	52,263	138,986	38,575	95,019	(16,004)	268,037	74,834
Cash Flows from Investing Activities:								
Purchase of fixed assets	-	-	(41,575)	(38,570)	-	-	(41,575)	(38,570)
Purchase of investments	-	-	-	-	(114,423)	-	(114,423)	-
Proceeds from redemptions on investments	-	-	-	-	30,214	21,704	30,214	21,704
Net Cash Provided (Used) by Investing Activities	-	-	(41,575)	(38,570)	(84,209)	21,704	(125,784)	(16,866)
Cash Flows from Financing Activities:								
Proceeds from short-term borrowings	-	67,000	-	-	-	-	-	67,000
Repayment of short-term borrowings	(67,000)	(80,000)	-	-	-	-	(67,000)	(80,000)
Payment of capital lease obligations	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Financing Activities	(67,000)	(13,000)	-	-	-	-	(67,000)	(13,000)
Net Increase (Decrease) in Cash	(32,968)	39,263	97,411	5	10,810	5,700	75,253	44,968
Cash, Beginning of Year	113,214	73,951	4,986	4,981	6,720	1,020	124,920	79,952
Cash, End of Year	\$ 80,246	\$ 113,214	\$ 102,397	\$ 4,986	\$ 17,530	\$ 6,720	\$ 200,173	\$ 124,920
Supplemental Information								
Interest paid	\$ 1,079	\$ 1,694	\$ -	\$ -	\$ -	\$ -	\$ 1,079	\$ 1,694

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Juniata Valley Council (#497), Incorporated, Boy Scouts of America (the Council) operates in Reedsville, Pennsylvania, serving young men ages 7–21 and young women ages 14-21 in Juniata, Huntingdon, Mifflin and Centre counties. The Council has camping facilities located at Seven Mountains Scouting Camp Spring Mills, Pennsylvania. The Council is a not-for-profit organization devoted to promoting, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys, young men, and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance and kindred virtues, using the methods which are now in common use by the Boy Scouts of America.

The Council's programs are classified as follows:

- *Tiger Cubs*: One-year, family-oriented program for a group of teams, each consisting of a first-grade (or 7-year-old) boy and an adult partner (usually a parent). A tiger cub den is part of the Cub Scout pack.
- *Cub Scouts*: Family- and community-centered approach to learning citizenship, compassion, and courage through service projects, ceremonies, games, and other activities promoting character development and physical fitness
- *Boy Scouts*: With the Scout Oath and Scout Law as guides, and the support of parents and religious and neighborhood organizations, Scouts develop an awareness and appreciation of their role in their community and become well-rounded young men through advancement of the program. Scouts progress in rank through achievements, gain additional knowledge and responsibilities, and earn merit badges that introduce a lifelong hobby or a rewarding career.
- *Varsity Scouting*: Program for young men ages 14-17 that provides options for those who are looking for rugged high adventure or challenging sporting activities and still want to be part of a Scouting program that offers the advancement opportunities and values of the Boy Scouts of America. There are five fields of emphasis including: advancement, high-adventure sports, personal development, service and special programs and events.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Venturing*: Provides experiences to help young men and women, ages 14 – or 13 with completion of the eighth grade – through 20, become mature, responsible, caring adults. Young teens learn leadership skills and participate in challenging outdoor activities including having access to Boy Scout camping properties, a recognition program, and Youth Protection training.
- *Learning for Life*: Program to enable 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.

Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting.

Basis of Preparation

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Council are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

The Council also prepares financial statements in accordance with FASB Accounting Standards Codification ASC 958-205 and subsections. Under these standards, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets. In addition, the Council is required to present a Statement of Cash Flows.

Unrestricted Net Assets - Unrestricted net assets may be used for any purpose. They are not restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets – Temporarily restricted net assets are comprised of amounts received from donors who have imposed restrictions on how the funds are to be utilized.

Permanently Restricted Net Assets – Permanently restricted net assets are those whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Council.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

Capital Fund - The capital fund is comprised of the net book value of the property and equipment less any related liabilities, plus any other assets held by the Council that has donor-imposed restrictions to be converted into fixed assets. The capital fund net assets are temporarily restricted until the property and equipment is acquired and placed in service, at which time the purpose restriction is accomplished and the temporarily restricted net assets are reclassified to unrestricted net assets. Capital fund contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted support.

Endowment Fund - Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

Operating Fund - All other assets, liabilities, revenue, support, and expenses are part of the operating fund and are classified as unrestricted net assets.

Cash

For purposes of the Statement of Cash Flows, the Council considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable

Pledges receivable for contributions are recognized upon notification of a donor's unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value in accordance with the *Contributions Received* section of the FASB ASC.

Inventory

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

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Deferred Revenue

The Council recognizes revenues as earned. Amounts received in advance of the period in which service is rendered are recorded as "Deferred Revenue."

Spending Policy

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. For the fiscal years ending December 31, 2015 and 2014, the board approved a spending plan not to exceed 6% of the average market value of investments. The average market value is calculated as an average of the previous twelve quarters' balances. The amounts transferred for the fiscal years ending December 31, 2015 and 2014 were \$24,000 and \$43,779 respectively.

Property and Equipment

Property and equipment is stated at cost, or, if acquired by gift, at the estimated fair market value at the date of the gift. Such gifts are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using primarily the straight-line method based on the estimated useful lives of the assets. Fixed asset purchases in excess of \$500 are capitalized and depreciated over their estimated useful lives.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Council accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations and has followed the lead of the National Council in early adoption of Accounting Standard Update 2015-07, Fair Value Measurement (Topic 820). ASU No. 2015-07 permits a reporting entity, as a practical expedient, to measure fair value of certain investments using the net asset value per share. The investment in the BSA Commingled Endowment Fund LP is reported at net asset value in the Statement of Financial Position. Unrealized gains and losses are included in the Statements of Activities. Interest and dividend income is accounted for as an increase in unrestricted net assets unless there are investments with donor imposed restrictions included in temporarily restricted net assets.

Compensated Absences

No provision for compensated absences is recorded in the Statement of Financial Position. While the Council handbook allows for a carryover of up to 5 days into the next calendar year, all eligible employees used their vacation by year end.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Council providing those services. In accordance with the policy of the National Council of the Boy Scouts of America (the "National Council"), the payments of the charter and national service fees to the National Council are not allocated as functional expenses.

Income Taxes

The Council is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Service Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Council currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Council has adopted the provisions of the FASB Accounting Standards Codification ASC 740-10-25. The Council does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2015 and 2014, there were no interest or penalties recorded or included in its financial statements.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Council files its forms 990 in the U.S. federal jurisdiction. The organization is generally no longer subject to examination by the Internal Revenue Service for years before 2011.

Donated Services

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.

Advertising

Advertising costs are charged to operations in the period in which the advertisement is placed.

NOTE 2 CONCENTRATION OF CREDIT RISK

The Council maintains its cash and investments at various financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures cash balances held in banks up to \$250,000 per entity. At various times during the year, the Council's cash balance may exceed FDIC limits.

The Council monitors the cash balance and tries to keep this risk to a minimum. In the opinion of management, this does not represent an unusual risk. For the years ended December 31, 2015 and 2014 the Council had no cash in excess of FDIC insured limits.

The Council provides services to youth in Mifflin, Juniata, Huntingdon, and Centre Counties and receives its support from those same counties. Consequently, the Council's ability to collect receivables and pledges may vary based upon fluctuations in the Central Pennsylvania economy.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>Useful Lives</u>	<u>2015</u>	<u>2014</u>
Land		\$ 71,414	\$ 71,414
Land Improvements	10 – 40 Years	212,285	206,706
Buildings	40 Years	1,180,702	1,134,408
Furniture and Fixtures	5 – 7 Years	171,667	170,500
Vehicles	5 – 7 Years	47,930	47,930
Capital Leases	5 Years	6,000	6,000
Construction in process		7,697	19,163
Total Property and Equipment		<u>1,697,695</u>	<u>1,656,121</u>
Less Accumulated Depreciation		<u>(914,891)</u>	<u>(869,970)</u>
Property and Equipment – Net		<u>\$ 782,804</u>	<u>\$ 786,151</u>

An entry was made during the year ended December 31, 2014 to remove some assets that were no longer held by the Council. Depreciation expense for the years ended December 31, 2015 and 2014 was \$44,922 and \$44,615, respectively.

NOTE 4 LINE OF CREDIT

There is an unsecured \$100,000 line of credit with no definite repayment schedule. Interest is payable at the lending bank's prime rate. The outstanding balance was \$0 and \$67,000 for the years ended December 31, 2015 and 2014, respectively.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following:

	<u>2015</u>	<u>2014</u>
Contributions	\$ 75,371	\$ -
Interest Income	-	-
Donations and interest (prior years)	-	-
Total Temporarily Restricted Net Assets	<u>\$ 75,371</u>	<u>\$ 0</u>



JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 6 RELEASED RESTRICTIONS

For the years ended December 31, 2015 and 2014, net assets in the amount of \$0 and \$6,002 were released from restrictions by incurring expenses satisfying restricted purposes identified in Note 5.

NOTE 7 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted assets consist of amounts donated to the Council that are required to be held in investments in perpetuity with earnings to be used for general operations. Permanently restricted net assets totaled \$553,708 and \$542,898 for the years ended December 31, 2015 and 2014, respectively.

NOTE 8 LONG TERM INVESTMENTS

Long-term investments consisted of the following:

Trust Account	<u>2015</u>	<u>2014</u>
BSA Commingled Endowment Fund	811,915	760,486
Total Long Term Investments	\$ <u>811,915</u>	\$ <u>760,486</u>

During 2013, the Council changed investment managers to the BSA Commingled Endowment Fund LP ("BSA Fund"). The Fund uses the Net Asset Value (NAV) to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their investees financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Fund Management has implemented early adoption of Accounting Standard Update 2015-07, Fair Value Measurement (Topic 820) governing NAV as a practical expedient which recommends that these investments not be included in a fair value hierarchy footnote. The BSA Fund is valued at the number of units held by the Council and the Fund's unit value. As of December 31, 2015, the Council held 576.4340 units at \$1,408.5124 per unit.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 8 LONG TERM INVESTMENTS (Continued)

Investment income for the years ended December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Dividend & Interest income	\$ 12,130	\$ 12,366
Net realized/unrealized gains and (losses)	(2,566)	33,317
Total Investment Income	<u>\$ 9,564</u>	<u>\$ 45,683</u>

Investment fees for the years ended December 31, 2015 and 2014 were \$4,135 and \$3,898, respectively.

The above investment income is classified in the Statement of Changes in Net Assets as follows:

	<u>2015</u>	<u>2014</u>
Unrestricted	\$ 9,564	\$ 45,683
Temporarily restricted	-	-
Permanently restricted	-	-
Total Investment Income	<u>\$ 9,564</u>	<u>\$ 45,683</u>

Other investment income is earned from short-term investments and earnings from testamentary trusts.

Classification of investment income is in accordance with the Boy Scouts of America's policy.

NOTE 9 LEASE OBLIGATIONS

The Council leases office equipment for a three year term ending.

Future required operating lease payments are as follows:

Years Ending December 31:	<u>Amount</u>
2016	\$1,576
2017	\$ 525

Total expense for the years ended December 31, 2015 and 2014 was \$1,576 and \$3,515, respectively.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 DEFINED BENEFIT 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 the Local Council Inc. The plan name is *Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees* and covers all employees who have completed one year of service and who have agreed to make contributions. Eligible employees contribute 2 percent of compensation, and the council contributes an additional 7 percent to the plan. Pension expense (excluding the contributions made by employees) was approximately \$15,420 and \$20,178 in 2015 and 2014 respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2015, indicates that it is in compliance with ERISA regulations regarding funding.

NOTE 11 ENDOWMENT FUND

The Council’s endowment fund includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Unrestricted net assets, identified by the Council’s board of directors to be used for future investment and growth, are included in unrestricted net assets – board designated.

The Council has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 Organization classifies as permanently restricted net assets: (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 of 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 donor-restricted endowment fund is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Council 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 and the 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; and the investment policies of the Council.

JUNIATA VALLEY COUNCIL, INC.  
BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 12 PRIOR PERIOD INFORMATION

The Statement of Changes in Net Assets and the Statement of Functional Expenses include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

NOTE 13 SUBSEQUENT EVENTS

These financial statements considered subsequent events through June 10, 2016, the date the financial statements were available to be issued.



*The Complete Business Solution*

3601 N. Progress Avenue  
Suite 200  
Harrisburg, PA 17110  
(717) 540-1880  
Fax: (717) 541-9217

June 10, 2016

To the Board of Directors  
Juniata Valley Council, Inc. Boy Scouts of America  
9 Taylor Drive  
Reedsville, PA 17084

In planning and performing our audit of the financial statements of Juniata Valley Council, Inc. Boy Scouts of America as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Juniata Valley Council, Inc. Boy Scouts of America's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. As noted in the National Council's Business Practices Assessment of November 2015, we also consider the following deficiency in Juniata Valley Council, Inc. Boy Scouts of America's internal control to be a significant deficiency:

- While it is ideal that the monthly bank reconciliation should be completed by someone other than the accounting specialist, if this is not feasible, the reconciliation should be reviewed by someone other than the accounting specialist such as the Scout Executive or a member of the Finance Committee.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Council, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very Truly Yours,

*Huber & Associates*  
Huber & Associates

**Regional Offices:**

14 East 3<sup>rd</sup> Street >P.O. Box 948 > Lewistown, PA 17044 >Phone: (717) 248-3334 >Fax: (717) 248-0900  
3601 North Progress Avenue >Suite 200 >Harrisburg, PA 17110 >Phone: (717) 540-1880 >Fax: (717) 541-9217



*The Complete Business Solution*

3601 N. Progress Avenue  
Suite 200  
Harrisburg, PA 17110  
(717) 540-1880  
Fax: (717) 541-9217

June 10, 2016

To the Board of Directors  
Juniata Valley Council, Inc.  
Boy Scouts of America  
9 Taylor Drive  
Reedsville, PA 17084

We have audited the financial statements of Juniata Valley Council, Inc. Boy Scouts of America (the Council) for the year ended December 31, 2015, and have issued our report thereon dated June 10, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 11, 2014 and reconfirmed on December 8, 2015. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Council are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following misstatements detected as a result of audit procedures were

---

#### **Regional Offices:**

14 East 3<sup>rd</sup> Street > P.O. Box 948 > Lewistown, PA 17044 > Phone: (717) 248-3334 > Fax: (717) 248-0900  
3601 North Progress Avenue > Suite 200 > Harrisburg, PA 17110 > Phone: (717) 540-1880 > Fax: (717) 541-9217

---

material, either individually or in the aggregate, to the financial statements taken as a whole and were corrected by management:

- The adjustment proposed to record depreciation expense.
- The adjustment proposed to properly reflect inter-fund transfers and unrealized gains.
- The adjustment proposed to move completed buildings from Construction in Progress.

The following misstatements detected as a result of audit procedures were not material, either individually or in the aggregate, to the financial statements taken as a whole and were corrected by management:

- The adjustment proposed to properly reflect unexpired insurance.
- The adjustment to reclassify some expenses from the capital fund to the operating fund.
- The adjustment to inventory to match detail records.
- The adjustment to reclassify some maintenance supplies expenses to capital.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 10, 2016.

---

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors.

---

#### **Regional Offices:**

However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Juniata Valley Council, Inc. Boy Scouts of America and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to thank the staff of Juniata Valley Council, Inc. Boy Scouts of America for their cooperative attitude and the prompt attention they gave to our requests. They are truly a credit to the Council and we look forward to working with them in the future.

Very truly yours,

*Huber & Associates*

Huber & Associates

---

**Regional Offices:**

14 East 3<sup>rd</sup> Street > P.O. Box 948 > Lewistown, PA 17044 > Phone: (717) 248-3334 > Fax: (717) 248-0900  
3601 North Progress Avenue > Suite 200 > Harrisburg, PA 17110 > Phone: (717) 540-1880 > Fax: (717) 541-9217

---