



NEIGHBORHOOD DEVELOPMENT FUND NDF111120 LHF06
Not-for-Profit Transmittal and Approval Form

Applicant/Program: Lincoln Heritage Council, Boy Scouts of America		
Applicant Requested Amount: 6,500		
Appropriation Request Amount: 1000	\$2,000.00	\$2,250.00

Executive Summary of Request

Funds will go towards making scouting available to all youth as a part of the Lincoln Heritage Council's outreach program.

Is this program/project a fundraiser?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is this applicant a faith based organization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this application include funding for sub-grantee(s)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

I have reviewed the attached Neighborhood Development Fund Application and have found it complete and within Metro Council guidelines and request approval of funding in the following amount(s). I have read the organization's statement of public purpose to be furthered by the funds requested and I agree that the public purpose is legitimate. I have also completed the disclosure section below, if required.

<u>6</u>	<u>David James</u>	<u>\$250</u>	<u>11/4/2020</u>
District #	Primary Sponsor Signature	Amount	Date

Primary Sponsor Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

N/A

Approved by:

Appropriations Committee Chairman	Date
Final Appropriations Amount: _____	

Applicant/Program:

Lincoln Heritage Council, Boy Scouts of America

Additional Disclosure and Signatures

Additional Council Office Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

Council Member Signature and Amount

District 1	_____	\$ _____
District 2	_____	\$ _____
District 3	_____	\$ _____
District 4	_____	\$ _____
District 5	_____	\$ _____
District 6	_____	\$ _____
District 7	_____	\$ _____
District 8	_____	\$ _____
District 9	_____	\$ _____
District 10	_____	\$ _____
District 11	_____	\$ _____
District 12	_____	\$ _____
District 13	_____	\$ _____
District 14	<i>Cindi Fowler</i>	\$ 500.00
District 15	_____	\$ _____

Applicant/Program:

Lincoln Heritage Council, Boy Scouts of America

Additional Disclosure and Signatures

Additional Council Office Disclosure

List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.

District 16 _____ \$ _____

District 17 _____ \$ _____

District 18 _____ \$ _____

District 19 _____ \$ _____

District 20 _____ \$ _____

District 21 _____ \$ _____

District 22 _____ \$ _____

District 23 *James Peden* _____ \$ ²⁵⁰ _____

District 24 _____ \$ _____

District 25 _____ \$ _____

District 26 _____ \$ _____

Department/Project: Lincoln Heritage Council - Boy Scouts of America

Additional Signatures

I have reviewed this request for an expenditure of city tax dollars, and have determined the funds will be used for a public purpose.

Council Member Signature and Amount

District 1	_____	\$ _____
District 2	<i>Bar Shu</i>	\$ 250
District 3	_____	\$ _____
District 4	_____	\$ _____
District 5	_____	\$ _____
District 6	_____	\$ _____
District 7	_____	\$ _____
District 8	_____	\$ _____
District 9	_____	\$ _____
District 10	_____	\$ _____
District 11	_____	\$ _____
District 12	_____	\$ _____
District 13	_____	\$ _____
District 14	Fo _____	\$ _____
District 15	_____	\$ _____
District 16	_____	\$ _____
District 17	_____	\$ _____
District 18	_____	\$ _____
District 19	_____	\$ _____
District 20	_____	\$ _____
District 21	_____	\$ _____
District 22	_____	\$ _____
District 23	_____	\$ _____
District 24	_____	\$ _____
District 25	_____	\$ _____
District 26	_____	\$ _____



NDF 111120 LHF06

Department/Project:

LINCOLN HERITAGE COUNCIL - BOY SCOUTS OF AMERICA

Additional Signatures

I have reviewed this request for an expenditure of city tax dollars, and have determined the funds will be used for a public purpose.

Council Member Signature and Amount

District 1	_____	\$ _____
District 2	_____	\$ _____
District 3	_____	\$ _____
District 4	_____	\$ _____
District 5	Donna Purvis <i>Donna Purvis</i>	\$ 250.00
District 6	_____	\$ _____
District 7	_____	\$ _____
District 8	_____	\$ _____
District 9	_____	\$ _____
District 10	_____	\$ _____
District 11	_____	\$ _____
District 12	Rick Blackwell <i>Rick Blackwell</i>	\$ 250.00
District 13	_____	\$ _____
District 14	Fo	\$ _____
District 15	Kevin Triplett <i>Kevin Triplett</i>	\$ 250.00
District 16	_____	\$ _____
District 17	_____	\$ _____
District 18	_____	\$ _____
District 19	_____	\$ _____
District 20	_____	\$ _____
District 21	Nicole George <i>Nicole George</i>	\$ 250.00
District 22	_____	\$ _____
District 23	_____	\$ _____
District 24	_____	\$ _____
District 25	_____	\$ _____
District 26	_____	\$ _____



Department/Project:

LINCOLN HERITAGE COUNCIL - BOY SCOUTS OF AMERICA

Additional Signatures

I have reviewed this request for an expenditure of city tax dollars, and have determined the funds will be used for a public purpose.

Council Member Signature and Amount

District 1		\$	
District 2	BARBARA SHANKLIN	\$	\$250.00
District 3		\$	
District 4		\$	
District 5	DONNA PURVIS	\$	\$250.00
District 6	DAVID JAMES	\$	\$250.00
District 7		\$	
District 8		\$	
District 9		\$	
District 10		\$	
District 11		\$	
District 12	RICK BLACKWELL	\$	\$250.00
District 13		\$	
District 14	Fo CINDI FOWLER	\$	\$500.00
District 15	KEVIN TRIPLETT	\$	\$250.00
District 16		\$	
District 17		\$	
District 18		\$	
District 19		\$	
District 20		\$	
District 21	NICOLE GEORGE	\$	\$250.00
District 22		\$	
District 23	JAMES PEDEN	\$	\$250.00
District 24		\$	
District 25		\$	
District 26		\$	

TOTAL: \$2,250.00

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Legal Name of Applicant Organization Lincoln Heritage Council

Program Name and Request Amount Boy Scouts of America, 6,500

	Yes/No/NA
Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding?	<input type="checkbox"/> Yes
Is the funding proposed by Council Member(s) less than or equal to the request amount?	<input type="checkbox"/> Yes
Is the proposed public purpose of the program viable and well-documented?	<input type="checkbox"/> Yes
Will all of the funding go to programs specific to Louisville/Jefferson County?	<input type="checkbox"/> Yes
Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet?	<input type="checkbox"/> Yes
Has prior Metro Funds committed/granted been disclosed?	<input type="checkbox"/> Yes
Is the application properly signed and dated by authorized signatory?	<input type="checkbox"/> Yes
Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?	<input type="checkbox"/> Yes
If Metro funding is for a separate taxing district is the funding appropriated for a program outside the legal responsibility of that taxing district?	<input type="checkbox"/> N/A
Is the entity in good standing with: <ul style="list-style-type: none"> ▶ Kentucky Secretary of State? ▶ Louisville Metro Revenue Commission? ▶ Louisville Metro Government? ▶ Internal Revenue Service? ▶ Louisville Metro Human Relations Commission? 	<input type="checkbox"/> Yes
Is the current Fiscal Year Budget included?	<input type="checkbox"/> Yes
Is the entity's board member list (with term length/term limits) included?	<input type="checkbox"/> Yes
Is recommended funding less than 33% of total agency operating budget?	<input type="checkbox"/> Yes
Does the application budget reflect only the revenue and expenses of the project/program?	<input type="checkbox"/> Yes
Is the cost estimate(s) from proposed vendor (if request is for capital expense) included?	<input type="checkbox"/> N/A
Is the most recent annual audit (if required by organization) included?	<input type="checkbox"/> N/A
Is a copy of Signed Lease (if rent costs are requested) included?	<input type="checkbox"/> N/A
Is the Supplemental Questionnaire for churches/religious organizations (if requesting organization is faith-based) included?	<input type="checkbox"/> N/A
Are the Articles of Incorporation of the Agency included?	<input type="checkbox"/> Yes
Is the IRS Form W-9 included?	<input type="checkbox"/> Yes
Is the IRS Form 990 included?	<input type="checkbox"/> Yes
Are the evaluation forms (if program participants are given evaluation forms) included?	<input type="checkbox"/> N/A
Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required to do so)?	<input type="checkbox"/> N/A
Has the Agency agreed to participate in the BBB Charity review program? If so, has the applicant met the BBB Charity Review Standards?	<input type="checkbox"/> N/A Yes ST
Prepared by: Shalanna Taylor	Date: 11/04/2020

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 – APPLICANT INFORMATION			
Legal Name of Applicant Organization:			
<i>(as listed on: http://www.sos.ky.gov/business/records)</i> Lincoln Heritage Council, Boy Scouts of America			
Main Office Street & Mailing Address: 12001 Sycamore Station Place, Louisville, KY 40229			
Website: www.lhcbasa.org			
Applicant Contact:	George Sloan	Title:	Sr. Development Director
Phone:	(270) 320-6962	Email:	george.sloan@scouting.org
Financial Contact:	George Sloan	Title:	Sr. Development Director
Phone:	(270) 320-6962	Email:	george.sloan@scouting.o
Organization's Representative who attended NDF Training: George Sloan			
GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED			
Program Facility Location(s):	Online Campaign		
Council District(s):	All	Zip Code(s):	All
SECTION 2 – PROGRAM REQUEST & FINANCIAL INFORMATION			
PROGRAM/PROJECT NAME: Fleur-De-Lis Fling			
Total Request: (\$)	<u>\$6,500.00</u>	Total Metro Award (this program) in previous year: (\$)	\$ 0.00
Purpose of Request (check all that apply):			
<input type="checkbox"/> Operating Funds (generally cannot exceed 33% of agency's total operating budget) <input checked="" type="checkbox"/> Programming/services/events for direct benefit to community or qualified individuals <input type="checkbox"/> Capital Project of the organization (equipment, furnishing, building, etc)			
The Following are Required Attachments:			
<input checked="" type="checkbox"/> IRS Exempt Status Determination Letter <input checked="" type="checkbox"/> Current year projected budget <input checked="" type="checkbox"/> Current financial statement <input checked="" type="checkbox"/> Most recent IRS Form 990 or 1120-H <input checked="" type="checkbox"/> Articles of Incorporation (current & signed) <input type="checkbox"/> Cost estimates from proposed vendor if request is for capital expense		<input type="checkbox"/> Signed lease if rent costs are being requested <input checked="" type="checkbox"/> IRS Form W9 <input type="checkbox"/> Evaluation forms if used in the proposed program <input checked="" type="checkbox"/> Annual audit (if required by organization) <input type="checkbox"/> Faith Based Organization Certification Form, if applicable	
For the current fiscal year ending June 30, list all funds appropriated and/or received from Louisville Metro Government for this or any other program or expense, including funds received through Metro Federal Grants, from any department or Metro Council Appropriation (Neighborhood Development Funds). Attach additional sheet if necessary.			
Source:	N/A	Amount: (\$)	\$ 0.00
Source:	N/A	Amount: (\$)	\$ 0.00
Source:	N/a	Amount: (\$)	\$ 0.00
Has the applicant contacted the BBB Charity Review for participation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Has the applicant met the BBB Charity Review Standards? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The mission of the Boy Scouts of America is to prepare young people to make ethical and moral choices over their lifetimes by instilling in them the values of the Scout Oath and Scout Law.

The Fleur-De-Lis Fling is the primary fundraiser supporting the Outreach Department.

The Outreach Department of the Lincoln Heritage Council is committed to removing any barriers that might keep a young person from joining Scouting. They seek to make Scouting available to young people regardless of their family history, economic status or background. They provide everything from camp scholarships, uniforms, handbooks and even adult leadership; in order to deliver the program in cases where leadership is lacking.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 - BOARD OF DIRECTORS AND PAID STAFF

Board Member	Term End Date
William Chip Adams	12/31/2020
Nicole Adell	12/31/2020
Walter E. Anderson	12/31/2020
Mark Ashburn	12/31/2020
Bentley Badgett	12/31/2020
John McFerran Barr	12/31/2020
Bill Barron	12/31/2020
Steve Bays	12/31/2020
Thomas Becherer	12/31/2020
Neville Blakemore	12/31/2020
Chris Bottorff	12/31/2020
Peter C. Boyce	12/31/2020
Rene Brown	12/31/2020
Bruce Brubaker III	12/31/2020
Stuart Burris	12/31/2020
Jeff Calabrese	12/31/2020
Phillip Camp *Completed List Provided on Attachment	12/31/2020

Describe the Board term limit policy:

Regular members of the Executive Board shall be elected at the Annual meeting of the local council, and shall continue in office until the conclusion of the next succeeding annual meeting of the local council and until their respective successors are elected and qualify. Chairs of the committees of the Executive board take office as members of the Executive Board upon their being appointed by the chairman and approved by the Executive Board. Any vacancy on the Executive Board of the local council may be filled by the Executive Board, and the person so elected shall hold office for the unexpired period of the term of office.

A member of the Executive Board may be removed upon 30 day written notice to the members of the Executive Board and by an affirmative vote of 2/3 of the entire membership of the board.

Three Highest Paid Staff Names	Annual Salary
<i>See Attached.</i>	

Lincoln Heritage Council

Top 3 Salaries

Jason Pierce, CEO: \$213,000

David Sikes, COO: \$104,500

Andy Ahern, Comptroller: \$84,000

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 5 – PROGRAM/PROJECT NARRATIVE

A: Describe the program/project start and end dates, a description of the program/project and applicable data with regards to specific client population the program will address (attach related flyers, planning minutes, designs, event permits, proposals for services/goods, etc.):

The Fleur-De-Lis Fling is traditionally a Gala type event. In lieu of an in-person event, we have moved to an online campaign fundraiser. All proceeds go toward making Scouting available to all youth regardless of their family history, economic status or background.

This year's Fling started in July and while the focus will end in October, the campaign will run through the remainder of the year.

The Lincoln Heritage Council's Outreach program seeks to make Scouting available to all young people regardless of their family history, economic status, or background. We provide registration fees, camp scholarships, uniforms, handbooks, and paid part-time adult leadership at no charge for youth in need.

Our Challenge

16% of Kentucky's low-income students will NOT graduate from high school.

More than 22% of children in Jefferson County live below the national poverty level.

Kentucky ranks 34th nationally for children living with safe, secure, and stable family circumstances.

B: Describe specifically how the funding will be spent including identification of funding to sub grantee(s):

See A.

- Scholarships offered to youth
- National membership fee
- Scout Handbook
- Part-time Program Specialist

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

C: If this request is a fundraiser, please detail how the proceeds will be spent:

All proceeds will be used to offset the cost of Scouting for young people who cannot afford the following:

- Scholarships offered to youth who wish to attend summer camp
- National Membership fee
- Scout Uniform
- Scout Handbook
- Part-time Program Specialist who deliver the program to the youth when adult leadership is lacking

D: For Expenditure Reimbursement Only – The grant award period begins with the Metro Council approval date and ends on June 30 of Metro fiscal year in which the grant is approved. If any part of this funding request is for funds to be spent before the grant award period, identify the applicable circumstances:

The funding request is a reimbursement of the following expenditures that will probably be incurred after the application date, but prior to the execution of the grant agreement:

- ✓ If selecting this option, the invoice, receipt and payment documentation should not be available as of the date of this application.

The Grantee will be required to submit financial reporting in accordance with the reporting schedule provided in the grant agreement.

Reimbursements should not be made before application date unless an emergency can be demonstrated by the primary council sponsor. The funding request is a reimbursement of the following expenditures (attach invoices or proof of payment):

- ✓ Attach a copy of invoices and/or receipts to provide proof of purchase of activities associated with the work plan identified in this application.
- ✓ Attach a copy of cancelled checks to provide proof of payment of the invoices or receipts associated with the work plan identified in this application.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

E: Describe the program's benefits to those being served (measurable outcomes). Include the program's process for collecting data and the indicators that will be tracked to measure the benefits to those being served:

Scouting's Impact

Scouting has proven to have a positive and lasting impact on young people. Youth that are in Scouting are more likely to graduate from high school and less likely to use drugs. 94% of parents say Scouting helped their young person become a better leader.

For every 100 Scouts:

- 18 will develop a hobby that will last a lifetime
- 12 will have their first contact with a church
- 8 will enter a vocation they learned through the merit badge system
- 17 will become Scout volunteers
- 1 will use skills they developed in scouting to save someone's life

F: Briefly describe any existing collaborative relationships the organization has with other community organizations. Describe what those partners are bringing to the relationship in general and to this program/project specifically.

The following partnerships provide in-kind or monetary gifts and manpower for this fundraiser:

- Fleur de Lis Events & Design - \$14,000 in-kind / use of Venue and decorations during a traditional year.
- Baird / Hilliard Lyons Trust - \$10,000
- Citizens Union Bank - \$6,500
- Signature HealthCARE - \$5,000
- Buffalo Construction Inc. - \$2,500
- Modern Woodmen of America - \$2,500
- Blendex Company - \$1,500
- Monroe Shine (IN) - \$1,500
- First Savings Bank - \$600

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 – PROGRAM/PROJECT BUDGET SUMMARY

THE PROGRAM/PROJECT BUDGET SHOULD REALISTICALLY ESTIMATE WHAT AMOUNT IS NEEDED FROM METRO GOVERNMENT AND WHAT IS EXPECTED FROM OTHER SOURCES.

Program/Project Expenses	Column 1	Column 2	Column (1+2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
A: Personnel Costs Including Benefits			\$ 0.00
B: Rent/Utilities			\$ 0.00
C: Office Supplies			\$ 0.00
D: Telephone			\$ 0.00
E: In-town Travel			\$ 0.00
F: Client Assistance (See Detailed List on Page 8)			\$ 0.00
G: Professional Service Contracts			\$ 0.00
H: Program Materials			\$ 0.00
I: Community Events & Festivals (See Detailed List on Page 8)	4,500.00	44,100	48,600.00 <i>50,600.00 ST</i>
J: Machinery & Equipment			\$ 0.00
K: Capital Project	6,500.00	\$ 44,100.00	50,600.00
L: Other Expenses (See Detailed List on Page 8)			\$ 0.00
*TOTAL PROGRAM/PROJECT FUNDS	\$ 6,500.00	\$ 44,100.00	\$ 50,600.00
% of Program Budget	12.85%	87.15%	100%

List funding sources for total program/project costs in Column 2, Non-Metro Funds:

Other State, Federal or Local Government	
United Way	
Private Contributions (do not include individual donor names)	\$ 44,100.00
Fees Collected from Program Participants	
Other (please specify)	
Total Revenue for Columns 2 Expenses **	\$ 44,100.00

*Total of Column 1 MUST match "Total Request on Page 1, Section 2"

**Must equal or exceed total in column 2.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail for Client Assistance, Community Events & Festivals or Other Expenses shown on Page 7 (circle one and use multiple sheets if necessary)	Column 1	Column 2	Column (1 + 2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
Not Applicable out			\$ 0.00
(S) Scholarships / membership fee / Scout uniform / Handbook / Pt specialist	6,500	44,100	\$ 0.00 50,600
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
			\$ 0.00
Total	\$ 0.00 6,500	\$ 0.00 44,100	\$ 0.00 50,600 (S)

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail of In-Kind Contributions for this PROGRAM only: Includes Volunteers, Space, Utilities, etc. (Include anything not bought with cash revenues of the agency).

Donor*/Type of Contribution	Value of Contribution	Method of Valuation
Not Applicable		
<p align="center"><i>Total Value of In-Kind</i> (to match Program Budget Line Item. Volunteer Contribution & Other In Kind)</p>	<p align="center">\$ 0.00</p>	

*** DONOR INFORMATION REFERS TO WHO MADE THE IN KIND CONTRIBUTION. VOLUNTEERS NEED NOT BE LISTED INDIVIDUALLY, BUT GROUPED TOGETHER ON ONE LINE AS A TOTAL NOTING HOW MANY HOURS PER PERSON PER WEEK**

Agency Fiscal Year Start Date: 01/01/2020

Does your Agency anticipate a significant increase or decrease in your budget from the current fiscal year to the budget projected for next fiscal year? NO YES

If YES, please explain:

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 7 – CERTIFICATIONS & ASSURANCES

By signing Section 7 of the Grant Application, the authorized official signing for the applicant organization certifies and assures to the best of his or her knowledge and/or belief the following Assurances and Certifications. If there is any reason why one or more of the assurances or certifications listed cannot be certified or assured, please explain in writing and attach to this application.

Standard Assurances

1. Applicant understands this application and its attachments as well as any resulting grant agreement, reports and proof of expenditure is subject to Kentucky's open records law.
2. Applicant understands if the grant agreement is not returned to Louisville Metro within 90 days of its mailing to the applicant, the approval is automatically revoked and the funds will not be disbursed to our organization.
3. Applicant and any sub grantee will give Louisville Metro Government access to and the right to examine all paper or electronic records related to the awarded grant for up to five years of the grant agreement date.
4. Applicant assures compliance with the grant requirements and will monitor the performance of any third party (sub-grantee).
5. The Agency is in good standing with the Kentucky Secretary of State, Louisville Metro Government, the Jefferson County Revenue Commission, the Internal Revenue Service, and the Louisville Metro Human Relations Commission.
6. Applicant understands failure to provide the services, programs, or projects included in the agreement will result in funds being withheld or requested to be returned if previously disbursed.
7. Applicant understands they must return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end.
8. Applicant understands they must provide proof of all expenditures (canceled checks, receipts, paid invoices). The Applicant understands the failure to provide proof of expenditures as required in the grant agreement could result in funding being withheld or request to be returned if previously disbursed.
9. Applicant understands if this application is approved, the grant agreement will identify an award period that begins with the Metro Council approval date, and will end with June 30 of the fiscal year in which the grant is approved. Expenditures associated with this award expected to occur prior to the award period (approval date) must be disclosed in this application in order to be considered compliant with the grant agreement.
10. Applicant understands if we choose to incur expenditures prior to the approval of the application by the Metro Council, there is no guarantee that funding will be reimbursed, as the Council may choose not to award the application.
11. Applicant will establish safeguards to prohibit employees or any person that receives compensation from awarded funds from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

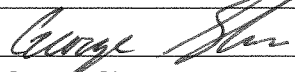
Standard Certifications

1. The Agency certifies it will not use Louisville Metro Government funds for any religious, political or fraternal Activities.
2. The Agency has a written Affirmative Action/Equal Opportunity Policy.
3. The Agency does not discriminate in employment or in provision of any service/program/activity/event based on age, color, disabled status, national origin, race, religion, sex, gender identity or sexual orientation, or Vietnam era veteran status.
4. The Agency certifies it will not require clients, recipients, or beneficiaries to participate in religious, political, fraternal or like activities in order to receive services/benefits provided with Louisville Metro Government funds.
5. The Agency understands the Americans with Disabilities Act (ADA) and makes reasonable accommodations.

Relationship Disclosure: List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

SECTION 8 – CERTIFICATIONS & ASSURANCES

I certify under the penalty of law the information in this application (including, without limitation, "Certifications and Assurances") is accurate to the best of my knowledge. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this application for the applying organization and have initialed each page of the application.

Signature of Legal Signatory:		Date:	10/01/2020
Legal Signatory: (please print):	George Sloan	Title:	Sr. Development Dir.
Phone:	(502) 400-5375	Extension:	
Email:	george.sloan@scouting.org		

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Lincoln Heritage Council - Boy Scouts of America</p> <p>2 Business name/disregarded entity name, if different from above</p> <p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
	<p>5 Address (number, street, and apt. or suite no.) See instructions. 12001 Sycamore Station Place</p> <p>6 City, state, and ZIP code Louisville, KY 40299</p> <p>7 List account number(s) here (optional)</p>	<p>Requester's name and address (optional)</p>

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
6	1		0	4	4	5	8	3	9

Part II Certification

- Under penalties of perjury, I certify that:
- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
 - I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
 - I am a U.S. citizen or other U.S. person (defined below); and
 - The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶ 11/4/2020
------------------	----------------------------	------------------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
 - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
 - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
 - Form 1099-S (proceeds from real estate transactions)
 - Form 1099-K (merchant card and third party network transactions)
 - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

LINCOLN HERITAGE COUNCIL, INC., BOY SCOUTS OF AMERICA

General Information

Organization Number	0038951
Name	LINCOLN HERITAGE COUNCIL, INC., BOY SCOUTS OF AMERICA
Profit or Non-Profit	N - Non-profit
Company Type	KCO - Kentucky Corporation
Status	A - Active
Standing	G - Good
State	KY
File Date	10/25/1916
Organization Date	10/25/1916
Last Annual Report	5/28/2020
Principal Office	12001 SYCAMORE STATION PLACE LOUISVILLE, KY 40299
Registered Agent	JASON PIERCE 12001 SYCAMORE STATION PL LOUISVILLE, KY 40299

Current Officers

Chairman	Ja Hillebrand
Director	John R Combs
Director	Roger A Harbeson
Director	Frank Patrick Hargadon

Individuals / Entities listed at time of formation

Director	DR RONALD E REITMEIER
Director	DONALD L HENRY
Director	LEO K BROECKER
Director	D P VANDIVIER
Director	MILBURN T MAUPIN
Director	DR RONALD E REITMEIER
Director	DONALD L HENRY
Director	LEO K BROECKER
Director	D P VANDIVIER
Director	MILBURN T MAUPIN
Incorporator	FRED J DREXLER
Incorporator	ALFRED STRUCK
Incorporator	H E MONTAGUE
Incorporator	F E GATCHELL
Incorporator	PIERCE BUTLER
Incorporator	FRED J DREXLER
Incorporator	ALFRED STRUCK
Incorporator	HE MONTAQUE
Incorporator	F E GATCHELL
Incorporator	PIERCE BUTLER
Incorporator	FRED J DREXLEN
Incorporator	ALFRED STRUNK
Incorporator	H E MONTAGUE
Incorporator	F E GATCHELL



Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0035

Notice	CP211A
Tax period	December 31, 2019
Notice date	June 8, 2020
Employer ID number	61-0445839
To contact us	Phone 877-829-5500 FAX 877-792-2864

Page 1 of 1

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BOY SCOUTS OF AMERICA
205 LINCOLN HERITAGE COUNCIL
12001 SYCAMORE STATION PL
LOUISVILLE KY 40299-4898



063949

Important information about your December 31, 2019 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your December 31, 2019 Form 990.

Your new due date is November 15, 2020.

What you need to do

File your December 31, 2019 Form 990 by November 15, 2020. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

Additional information

- Visit www.irs.gov/cp211a
- For tax forms, instructions, and publications, visit www.irs.gov/forms-pubs or call 800-TAX-FORM (800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

Form **990**

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2018
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2018 calendar year, or tax year beginning , **and ending** ,

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization LINCOLN HERITAGE COUNCIL OF BOY SCOUTS OF AMERICA, INC. Doing business as Number and street (or P.O. box if mail is not delivered to street address) 12001 SYCAMORE STATION PLACE Room/suite City or town, state or province, country, and ZIP or foreign postal code LOUISVILLE KY 40299		D Employer identification number **-***5839
	F Name and address of principal officer: JASON PIERCE 12001 SYCAMORE STATION PLACE LOUISVILLE KY 40299		E Telephone number 502-361-2624
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ 16,674,922
	J Website: ▶ WWW.LHCBSA.ORG		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1980 M State of legal domicile: KY

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO PREPARE YOUNG PEOPLE TO MAKE ETHICAL AND MORAL CHOICES OVER THEIR LIFETIMES, BY INSTILLING IN THEM, THE VALUES OF THE SCOUT OATH AND LAW.			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	Number of voting members of the governing body (Part VI, line 1a)	97	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	88	
	5	Total number of individuals employed in calendar year 2018 (Part V, line 2a)	227	
	6	Total number of volunteers (estimate if necessary)	5000	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	
	b Net unrelated business taxable income from Form 990-T, line 38	0		
Revenue	8	Contributions and grants (Part VIII, line 1h)	2,448,759	1,794,701
	9	Program service revenue (Part VIII, line 2g)	1,463,278	1,292,932
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	515,094	1,141,246
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	805,748	741,363
	12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,232,879	4,970,242
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	
14		Benefits paid to or for members (Part IX, column (A), line 4)		0
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	2,956,303	2,615,458
16a		Professional fundraising fees (Part IX, column (A), line 11e)		0
b		Total fundraising expenses (Part IX, column (D), line 25) ▶ 456,559		
17		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	2,706,418	2,553,173
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	5,662,721	5,168,631	
19	Revenue less expenses. Subtract line 18 from line 12	-429,842	-198,389	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	29,957,994	28,512,774
	21	Total liabilities (Part X, line 26)	1,109,922	1,194,827
	22	Net assets or fund balances. Subtract line 21 from line 20	28,848,072	27,317,947

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date			
	JASON PIERCE Type or print name and title	EXECUTIVE DIRECTOR			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	WILLIAM J. JESSEE				*****
	Firm's name ▶ HENDERMAN, JESSEE AND CO., PLLC	Firm's EIN ▶ ** - ***0913			
Firm's address ▶ 304 WHITTINGTON PKWY STE 107		Phone no. 502-425-4800			
Firm's address ▶ LOUISVILLE, KY 40222-4913					

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III



1 Briefly describe the organization's mission:

TO PREPARE YOUNG PEOPLE TO MAKE ETHICAL AND MORAL CHOICES OVER THEIR LIFETIMES, BY INSTILLING IN THEM, THE VALUES OF THE SCOUT OATH AND LAW.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **1,206,874** including grants of \$) (Revenue \$ **1,093,517**)

CAMPING

4b (Code:) (Expenses \$ **25,948** including grants of \$) (Revenue \$ **46,040**)

NATIONAL SCOUTING ACTIVITIES

4c (Code:) (Expenses \$ **194,537** including grants of \$) (Revenue \$ **153,375**)

OTHER SCOUTING ACTIVITIES

4d Other program services (Describe in Schedule O.)

(Expenses \$ **2,664,929** including grants of \$) (Revenue \$)

4e Total program service expenses **4,092,288**

Form **8879-EO**

**IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2018, or fiscal year beginning _____, 2018, and ending _____, 20 _____

▶ **Do not send to the IRS. Keep for your records.**

▶ **Go to www.irs.gov/Form8879EO for the latest information.**

2018

Department of the Treasury
Internal Revenue Service

Name of exempt organization

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Employer identification number

****-***5839**

Name and title of officer

**JASON PIERCE
EXECUTIVE DIRECTOR**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b	4,970,242
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2018 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize **HENDERMAN, JESSEE AND CO., PLLC** to enter my PIN **45839** as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____

Date ▶ **09/06/19**

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____

Date ▶ **09/06/19**

**ERO Must Retain This Form — See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see back of form.

Form **8879-EO** (2018)



BOY SCOUTS OF AMERICA®
NATIONAL COUNCIL

January 25, 2020

Jason Pierce, SE
Lincoln Heritage, 205
12001 Sycamore Station Place
Louisville, KY 40299-4898

Re: Requests for information regarding your council's federal tax-exempt status

Dear Jason:

This letter clarifies the tax-exempt status of your council. The Boy Scouts of America, National Council, is recognized as a public charity and tax exempt under IRC Section 501(c)(3), as well as IRC Section 170(b)(1)(A)(vi). We are not a private foundation as described in IRC Section 509(a). A copy of our current tax-exempt determination letter is attached.

For tax purposes, your council is a bona fide subordinate organization of the Boy Scouts of America, in good standing, and covered under the Boy Scouts of America's group exemption ruling, IRS Ruling No. 1761. Though the council is a separate entity and responsible for its own, independent audit, our exemption ruling extends the same recognition of tax-exempt status to this council as to the Boy Scouts of America National Council.

Each year, the Boy Scouts of America National Service Center submits to the IRS a list of approved subordinate organizations which includes all local councils and their endowment trusts. Your council's information is on the attached list of subordinates.

On behalf of the many young men and women you serve in your council area, thank you again for all you do for Scouting. Questions, if any, can be directed to Melena Sparkman, Compliance & Governance Specialist, National Service Center, Legal Department, (972) 580-2410 or Melena.Sparkman@scouting.org.

Very truly yours,

Roger C. Mosby
President and CEO

Attachments:
2020 IRS Letter
IRS Group Exemption Spreadsheet


1325 West Walnut Hill Lane
P.O. Box 152079
Irving, TX 75015-2079
972-580-2000
www.scouting.org

Prepared. For Life.®



CINCINNATI OH 45999-0038

In reply refer to: 0248219434
Jan. 21, 2020 LTR 4167C 0
22-1576300 000000 00
00010850
BODC: TE


BOY SCOUTS OF AMERICA
STEPHANIE PHILLIPS
1325 W WALNUT HILL LN
IRVING TX 75038-3008

026484

Employer identification number: 22-1576300
Group exemption number: 1761

Dear Taxpayer:

This is in response to your request dated Jan. 09, 2020, for information about your tax-exempt status.

Our records indicate we issued a determination letter to you in November 1965, and you're currently exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also recognized the subordinates on the list you submitted as exempt from federal income tax under IRC Section 501(c)(3).

For federal income tax purposes, donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106 and 2522.

Please refer to www.irs.gov/charities for information about filing requirements. Specifically, IRC Section 6033(j) provides that, if you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

In addition, each subordinate organization is subject to automatic revocation if it doesn't file a required return or notice for three consecutive years. Subordinate organizations can file required returns or notices individually or as part of a group return.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

0248219434
Jan. 21, 2020 LTR 4167C 0
22-1576300 000000 00
00010851

BOY SCOUTS OF AMERICA
STEPHANIE PHILLIPS
1325 W WALNUT HILL LN
IRVING TX 75038-3008

Sincerely yours,



Kim A. Billups, Operations Manager
Accounts Management Operations 1

Description	2020	2020	Difference
	Original Budget	Amended Budget	
FOS Net	1,031,139	858,330	(172,809)
Found, Trust, Grants, UW	368,366	454,106	85,740
Endowment Distributions	423,000	497,998	74,998
Special Events Net	234,450	184,550	(49,900)
Product Sales	672,520	315,000	(357,520)
Participant Insurance Income	155,000	130,000	(25,000)
Activities Net	38,455	41,055	2,600
Summer Camp Net	413,207	18,838	(394,369)
Day Camp Net	67,254	(6,803)	(74,057)
YR Camps Net	(411,975)	(342,910)	69,065
Council Scout Shops Net	(10,400)	(25,947)	(15,547)
National Scout Shops Net	57,350	21,549	(35,801)
Rental Income Net	10,500	10,500	-
Membership Recruitment	(36,500)	(22,330)	14,170
Outreach Net	(74,390)	(46,842)	27,548
Prof/Admin Salaries, Benefits, Taxes	(2,331,150)	(2,144,350)	186,800
Vehicle Related Net	(161,300)	(137,450)	23,850
Training and Conferences	(30,000)	(13,711)	16,289
Recognition	(19,000)	(11,000)	8,000
Council Insurance	(38,000)	(40,700)	(2,700)
Council Utilities	(72,500)	(70,000)	2,500
Council Equip/Contract Serv	(63,700)	(46,050)	17,650
Council Supplies, Postage, Food	(31,200)	(20,900)	10,300
Council Other Net	(173,732)	(173,414)	318
	17,394	(570,481)	(587,875)

PPP Loan/Grant **522,000**
Forecasted Deficit **(48,481)**

Lincoln Heritage Council - # 205

Statement of Financial Position -
 Period Ending: September 30, 2020

	Operating Fund	
	2020	2019
Current assets:		
Cash	391,690	240,625
Accounts and notes receivable	146,440	91,798
Contributions receivable	291,841	340,049
Inventory	163,376	189,848
Interfund loans		
Deferred activity expense	1,614	1,560
Deferred camp expense	2	
Deferred special event expense		
Prepaid expenses	94,355	58,653
Total current assets	1,089,319	922,533
Noncurrent assets:		
Contributions receivable	9,872	63,198
Unallocated asset acquisition		
Land, buildings and equipment		
Long-term investments		
Total noncurrent assets	9,872	63,198
Total assets	1,099,191	985,731
Current liabilities:		
Accounts payable	207,722	212,759
Accrued expenses	50,216	
Taxes and benefits withheld	-19,442	2,928
Custodial accounts	195,696	201,137
Deferred activity revenue	5,138	10,135
Deferred camp revenue	3,220	3,675
Deferred special event revenue		31,403
Other deferred revenue		-7
Other current liabilities	-138	583
Total current liabilities	442,412	462,614
Noncurrent liabilities:		
Long-term indebtedness	522,000	
Total noncurrent liabilities	522,000	
Total liabilities	964,412	462,614
Net assets:		
Without donor restrictions	103,619	467,262
With donor restrictions	31,160	55,855
Total net assets	134,779	523,118
Total liabilities and net assets	1,099,191	985,731

Accompanying schedules are an integral part of this financial statement.

September 30, 2020

Lincoln Heritage Council - # 205

Statement of Financial Position -
 Period Ending: September 30, 2020

Operating Fund	
2020	2019

Standard schedules

Schedule 1: Contributions Receivable Current

Contributions Receivable-Past Years	2,298	29,472
Allowance for Uncollectible-Past Years		0
Contributions Receivable-Current Year	289,543	310,577
Discounted Contributions Receivable		
Allowance for Uncollectible-Current		0
Net Contributions Receivable Current	291,841	340,049

Schedule 2: Contributions Receivable Non-Current

Contributions Receivable - Non-Current	9,872	63,198
Discounted Contributions Receivable		
Allowance for Uncollectible Non-Current		
Net Contributions Receivable Non-Current	9,872	63,198

Schedule 3: Land, Buildings & Equipment

Land, Buildings & Equipment-Non Camp		
Accumulated Depreciation-Non Camp		
Land, Buildings & Equipment-Camps		
Accumulated Depreciation-Camps		
Construction in Progress		
Capital Leases		

Land, Buildings & Equipment

Schedule 4: Custodial Accounts

National Fees & Subscriptions	49,495	49,424
Unit Deposits	81,923	92,612
Order of the Arrow and NESA	53,141	47,003
Other Custodial Accounts	11,137	12,099
Total Custodial Accounts	195,696	201,137

Schedule 5: Unrestricted Net Assets Designated

LEARNING FOR LIFE	-61,170	-37,527
Total Board Designated Net Assets	-61,170	-37,527
Non-Designated Net Assets	164,789	504,790
Total Unrestricted Net Assets	103,619	467,262

End of Standard Schedules

**Standard Statement of Budgeted Operations - Unrestricted -
Period Ending: September 30, 2020**

Operating Fund	Current Period			Year to Date			Current Year
	Budget	Actual	Over/Under	Budget	Actual	Over/Under	Budget
Support and revenue							
Direct support:							
Net direct mail			-			-	
Friends of Scouting:							
FOS contributions	20,000	37,473	17,473	1,061,285	880,871	(180,414)	1,073,285
Net assets released FOS	-	-	-	167,912	167,912	-	167,912
Provision uncoll FOS	-	-	-	-	-	-	(112,258)
Net Friends of Scouting	20,000	37,473	17,473	1,229,197	1,048,783	(180,414)	1,128,939
Net project sales			-			-	
Special events:							
Special event contributions	254,950	139,838	(115,112)	254,950	139,838	(115,112)	303,050
Net assets release spec events	15,800	-	(15,800)	46,050	50,950	4,900	50,950
Spec event fees collected	-	5,000	5,000	-	5,000	5,000	-
Spec event cost direct benefit	(106,600)	(44,030)	62,570	(106,600)	(44,030)	62,570	(119,550)
Net special events	164,150	100,808	(63,342)	194,400	151,758	(42,642)	234,450
Net legacies and bequests			-			-	
Foundations and trusts:							
Foundations and trusts	10,500	4,161	(6,339)	118,500	224,786	106,286	151,000
Net foundations and trusts	10,500	4,161	(6,339)	118,500	224,786	106,286	151,000
Net other direct contributions			-			-	
Total direct support	194,650	142,442	(52,208)	1,542,097	1,425,328	(116,769)	1,514,389
Indirect support:							
Associated organizations:							
Associated organizations gross	-	-	-	9,500	7,721	(1,779)	13,000
Net associated organizations	-	-	-	9,500	7,721	(1,779)	13,000
United Way:							
United Way contributions	-	-	-	17,455	174	(17,281)	17,455
Net assets released United Way	-	-	-	26,911	26,911	-	26,911
Net United Way	-	-	-	44,366	27,085	(17,281)	44,366
Net unassociated organizations			-			-	
Net other indirect contributions			-			-	
Government grants and fees			-			-	
Total indirect support	-	-	-	53,866	34,806	(19,060)	57,366
Revenue:							
Sales of supplies - net:							
Sale of supplies gross	12,000	4,616	(7,384)	91,300	34,657	(56,643)	119,500
Sale of supplies cost of goods	(8,325)	(8)	8,318	(63,273)	(23,017)	40,256	(82,300)
Net sale of scouting supplies	3,675	4,608	933	28,027	11,640	(16,387)	37,200
Product sales:							
Product sales	20,000	106,280	86,280	435,000	194,804	(240,196)	1,797,000
Product sales cost of goods	(7,000)	(25,490)	(18,490)	(33,000)	(66,838)	(33,838)	(399,140)
Product sales unit commissions	(5,000)	(43,150)	(38,150)	(219,000)	(78,405)	140,595	(725,340)
Net product sales	8,000	37,640	29,640	183,000	49,561	(133,439)	672,520
Investment:							
Investment income current	33,895	-	(33,895)	429,115	421,050	(8,065)	583,000
Investment income	33,895	-	(33,895)	429,115	421,050	(8,065)	583,000
Realized invest gain/loss			-			-	
Unrealized invest gain/loss			-			-	
Camping:							
Camp revenues	3,350	2,268	(1,082)	1,022,866	218,771	(804,095)	1,029,591
Camp trading post sales	18	2,109	2,091	125,216	34,979	(90,237)	125,216
Camp TP cost of goods sold	(7)	(10)	(3)	(61,863)	(1,708)	60,155	(61,863)
Camp refunds and discounts	(11)	-	11	(11,250)	(174,839)	(163,589)	(11,250)
Net camping revenue	3,349	4,367	1,017	1,074,969	77,203	(997,766)	1,081,694
Activities:							

**Standard Statement of Budgeted Operations - Unrestricted -
Period Ending: September 30, 2020**

Operating Fund	Current Period			Year to Date			Current Year
	Budget	Actual	Over/Under	Budget	Actual	Over/Under	Budget
Activity revenues	28,115	23,229	(4,886)	145,235	94,773	(50,462)	192,475
Activity trading post sales	1,094	-	(1,094)	6,591	133	(6,458)	11,040
Activity TP cost of goods	(658)	(723)	(65)	(3,463)	(723)	2,740	(5,880)
Activity refunds and discounts	-	(1,095)	(1,095)	(850)	(15,252)	(14,402)	(1,530)
Net activity revenue	28,551	21,411	(7,140)	147,514	78,931	(68,582)	196,105
Other revenue	6,400	811	(5,589)	193,575	139,438	(54,137)	233,500
Total revenue	83,870	68,837	(15,034)	2,056,200	777,824	(1,278,376)	2,804,019
Total support and revenue	278,520	211,278	(67,242)	3,652,163	2,237,957	(1,414,206)	4,375,774
Expenses							
Employee compensation:							
Salaries	167,854	134,815	(33,039)	1,674,439	1,383,046	(291,393)	2,168,150
Employee benefits	34,588	27,064	(7,524)	310,292	277,560	(32,732)	414,050
Payroll taxes	12,538	10,200	(2,338)	126,718	108,050	(18,668)	164,125
Employee related	417	-	(417)	3,753	249	(3,504)	5,000
Total employee compensation	215,397	172,079	(43,318)	2,115,202	1,768,906	(346,296)	2,751,325
Other Expenses:							
Professional fees	1,831	950	(881)	41,854	25,641	(16,213)	52,275
Program and other supplies	19,460	2,957	(16,502)	439,803	114,970	(324,833)	475,013
Telephone and communications	4,112	2,990	(1,122)	37,006	39,818	2,811	49,350
Postage and shipping	678	1,053	375	9,688	8,808	(881)	11,100
Occupancy	24,496	10,184	(14,311)	251,003	155,962	(95,040)	303,825
Rental and maintenance of equi	5,808	654	(5,154)	27,772	24,486	(3,286)	34,700
Publication and media	23,934	128	(23,806)	35,335	14,320	(21,015)	36,670
Travel	25,182	8,921	(16,261)	165,912	115,990	(49,922)	216,160
Conferences and meeting	1,942	-	(1,942)	29,670	6,861	(22,809)	35,800
Specific assistance to individ	2,110	93	(2,017)	38,405	23,866	(14,539)	47,600
Recognition and awards	4,611	3,848	(764)	110,821	32,988	(77,833)	123,310
Insurance	6,629	9,434	2,804	71,304	88,525	17,221	91,200
Other	4,573	(1,826)	(6,399)	40,595	22,537	(18,058)	52,820
National charter and serv fees	7,723	7,723	-	61,784	61,784	-	77,232
Total other expenses	133,089	47,109	(85,979)	1,360,952	736,557	(624,395)	1,607,055
Total expenses	348,486	219,188	(129,298)	3,476,154	2,505,463	(970,691)	4,358,380
Surplus (deficit) UR revenue/expense	(69,965)	(7,910)	62,055	176,009	(267,505)	(443,514)	17,394

Net assets summary

Unrestricted net assets - beginning of year							371,124
Change in net assets from operations	(69,965)	(7,910)	62,055	176,009	(267,505)	(443,514)	17,394
Adjustments to net assets	-	-	-	-	-	-	-
Transfers between funds	-	-	-	-	-	-	-
Change in unrestricted net assets	(69,965)	(7,910)	62,055	176,009	(267,505)	(443,514)	17,394
Unrestricted net assets - end of period							103,619

----- End of Statement -----

**Lincoln Heritage Council
Boy Scouts of America
Council #205**

Articles of Incorporation

Last Updated: November, 1993

Includes:

Certificate of Existence

Articles of Amendment

Standard Articles of Incorporation




OFFICE OF THE SECRETARY OF STATE
**CERTIFICATE OF EXISTENCE
DOMESTIC CORPORATION**

I, BOB BABBAGE, Secretary of State of the Commonwealth of Kentucky, do hereby certify, that according to the records in the office of the Secretary of State of the Commonwealth of Kentucky, LINCOLN HERITAGE COUNCIL, INC.,
BOY SCOUTS OF AMERICA

is a corporation organized and existing under the laws of the Commonwealth of Kentucky, whose date of incorporation is OCTOBER 25, 1916 ;
and whose period of duration is PERPETUAL .

I further certify, that said corporation has paid all fees due and owing to the office of the Secretary of State of the Commonwealth of Kentucky to date; has delivered to the Secretary of State its most recent annual report, as required by KRS 271B.16-220 or 273.3671; and has not filed articles of dissolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, at Frankfort, Kentucky, this 7TH day of DECEMBER ,
19 93 .



BOB BABBAGE
Secretary of State
Commonwealth of Kentucky

BY: KU

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ARTICLES OF AMENDMENT TO THE
ARTICLES OF INCORPORATION OF
OLD KENTUCKY HOME COUNCIL OF
BOYS SCOUTS OF AMERICA, INC.
(KRS 273.267)

DEB CARRAGE
SECRETARY OF STATE
[Signature]

ARTICLE I

The Corporation's name is:

Old Kentucky Home Council
of Boy Scouts of America, Inc.

ARTICLE II

Article I of the Corporation's Articles of Incorporation is hereby amended to read as follows:

"The name of the Corporation is Lincoln Heritage Council, Inc., Boy Scouts of America."

ARTICLE III

The above amendment was adopted by unanimous vote of the Board of Directors of the Corporation on March 26, 1993, there being a quorum present. Furthermore, the BOY SCOUTS OF AMERICA, INC. approved the above amendment on March 18, 1993. (See attached Boy Scouts of America Certificate of Approval).

Executed above this 11th day of November, 1993.

DATE: November 11, 1993

BY: *[Signature]*
Marc H. Reynerson
Scout Executive, Secretary


COMMONWEALTH OF KENTUCKY)
) SS.
COUNTY OF JEFFERSON)

I, a Notary Public in and for the State and County aforesaid, do hereby certify that the foregoing document was produced to me and acknowledged and delivered before me by MARC H. REYNERSON, Scout Executive for Lincoln Heritage Council, Inc., Boy Scouts of America, on the 17th day of November 1993, to be the act and deed of said Corporation

My Commission Expires: April 29, 1996


NOTARY PUBLIC
STATE AT LARGE, KENTUCKY

THIS INSTRUMENT PREPARED BY:


J. Paul Keith III
MIDDLETON & REUTLINGER
2500 Brown & Williamson Tower
Louisville, Kentucky 40202
(502) 584-1135

Region Southern

Council # 205

Louisville, KY
Headquarters City

BOY SCOUTS OF AMERICA CERTIFICATE OF APPROVAL

Under provision of Article X, Section 4 of the Bylaws of the Boy Scouts of America, duly incorporated in the District of Columbia, under and by virtue of an Act of Congress, June 15, 1916, hereby approves the Articles of Incorporation as submitted and consents that the Old Kentucky Home Council of the Boy Scouts may use for the purpose of incorporation the name "Lincoln Heritage Council, Inc., Boy Scouts of America."

It is directed that this certificate shall be attached to the corporate articles when filed by the local council with the State authorities.

Dated March 18, 19 93
BOY SCOUTS OF AMERICA

ATTEST:
(Seal)

A-161990

BY [Signature]
Chief Scout Executive

Document No: 1993161990
Lodged By: KEITH
Recorded On: Dec 03, 1993 08:33:22 A.M.
Total Fees: 95.50
County Clerk: Rebecca Jackson
Deputy Clerk: VDM:MD

END OF DOCUMENT



STANDARD
ARTICLES OF
INCORPORATION
FOR A LOCAL COUNCIL

ARTICLE I. NAME

The name of the corporation is Old Kentucky Home Council of Boy Scouts of America, Inc. For convenience in these Articles of Incorporation the corporation is sometimes referred to as the "Corporation."

ARTICLE II. DURATION

The Corporation shall have perpetual existence but shall take such action as may be necessary to dissolve in the event of the revocation or termination of its charter from the Boy Scouts of America, a corporation organized under Act of Congress.

ARTICLE III. PURPOSES

The Corporation shall promote, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys and young men and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America.

ARTICLE IV. PRINCIPLES AND POLICIES

The Corporation shall be operated as a nonprofit corporation exclusively for charitable and educational purposes within the meaning of Section 501 of the Internal Revenue Code of 1954, as from time to time amended.

The Corporation shall at all times maintain the principles and policies of the Boy Scouts of America, as set forth in detail in the Bylaws and the Rules and Regulations of the Boy Scouts of America in official handbooks, or as may be announced by the Boy Scouts of America from time to time, specifically restricting the leadership to those persons who are willing to subscribe to the declarations of principles therein set forth and to the Scout Oath and Law and who otherwise are qualified to receive certificates of leadership.

ARTICLE V. POWERS

The Corporation shall have and may exercise (in a manner consistent with the Congressional Charter, Bylaws, and Rules and Regulations of the Boy Scouts of America) all powers given to nonprofit corporations under the KRS273.

ARTICLE VI. MEMBERS

The Corporation shall have one or more classes of members, as provided in the Bylaws of the Corporation, and may have honorary members.

Each active, associate, or honorary member of the Corporation shall be a citizen of the United States of America or have taken the preliminary steps to becoming a citizen of the United States of America, (a) has subscribed to the Scout Oath and Law and the Bylaws and Rules and Regulations of the Boy Scouts of America, (b) has been registered by the Boy Scouts of America in accordance with its Bylaws and Rules and Regulations, and (c) otherwise meets all qualifications for membership from time to time established by the Boy Scouts of America.

ARTICLE VII. EXECUTIVE BOARD

The Executive Board of the Corporation shall be composed of such number of persons, in no event fewer than 25 or more than 50 regular members who shall be elected in such manner as prescribed in the Bylaws and Rules and Regulations of the Corporation. The initial Executive Board shall be composed of 10 members. The names and addresses of the persons who are to serve as the initial Executive Board of the Corporation until the first annual meeting of the members of the Corporation and until their successors are elected and qualify are --

Gene Gardner - 8914 Ayshire Avenue, Louisville, KY 40222
A. T. Bishop, Jr. - 4043 Ormond Road, Louisville, KY 40207
Milburn Maupin - 424 Knightsbridge Road, Louisville, KY 40206
Paul Tafel, Jr. - 202 Council Road, Louisville, KY 40207
Richard Paul - 7511 Rockingham Road, Prospect, KY 40059
George Clark - 720 Danes Hall Court, Louisville, KY 40206
John T. Acree, III - Route #2, Box 378, Crestwood, KY 40014
Robert Royer - 4014 Norbourne Boulevard, Louisville, KY 40207
William Summers, III - 1971 Meadowcreek Drive, Louisville, KY 40218
Donald McClinton - 6205 Deep Creek Dr., Prospect, KY 40059

ARTICLE VIII. ADDRESS

The address of the initial registered office of the Corporation is 824 Phillips Lane, P.O. Box 21068, Louisville, KY 40221 and the name of its initial registered agent at such address is Halsey D. Cory, Jr. --

ARTICLE IX. INCORPORATORS

The name and address of each incorporator is -

Gene Gardner - 8914 Ayshire Avenue, Louisville, KY 40222
Halsey D. Cory, Jr. - 3813 Mamoroneck Road, Louisville, KY 40218

ARTICLE X. DISSOLUTION

The property and assets of the Corporation are irrevocably dedicated to the charitable and educational purposes of carrying out the program of the Boy Scouts of America. In the event of the dissolution or final liquidation of the Corporation or upon the revocation or termination of its charter from the Boy Scouts of America, none of such property or assets or the proceeds therefrom shall inure to the benefit of any individual but shall, after all liabilities and obligations of the Corporation have been paid or satisfied or provision otherwise made therefor, be distributed (a) to another local council of the Boy Scouts of America as specified by the Boy Scouts of America to be used for charitable and educational purposes, or (b) in the absence of such specification, to the Boy Scouts of America itself to be used for charitable and educational purposes, it being contemplated that in either instance such property and assets shall continue to be devoted to the furtherance of Scouting in Kentucky

ARTICLE XI. AMENDMENT

These Articles of Incorporation may be amended by the majority vote of the members having the right to vote present at a duly called meeting of the members of the Corporation at which a quorum is present and of which at least twenty days written notice has been given, the notice for which has been accompanied by the text of the proposed amendment or amendments, provided, however, that no amendment to these Articles of Incorporation shall be effective unless first presented to and approved by (a) the Executive Board of the Corporation and (b) an authorized official at the national office of the Boy Scouts of America.

2020 Lincoln Heritage Council Executive Board

Name

William Chip Adams, III
Nicole Adell
Walter E Anderson
Mark Ashburn
Bentley Badgett
Ronald F Barnes
John MacFerran Barr
Bill Barron**
Steve Bays
Thomas Becherer
Mike Berger**
Neville Blakemore
Chris Bottorff
Peter C Boyce
Rene Brown
Bruce Brubaker, III
Jeff Calabrese
Phillip B Camp
Tiffany Cardwell
Joe Collins**
John R Combs
Al Cornish
John-Robert Curtin
David Daunhauer
David Derrick
Innes W. Dobbins, III
Steve Dobler
Adam Ellison**
Kevin B Etter
David W Evanczyk
Thomas C Fenton
Bruce Ferguson Sr
Stuart Ferguson
John L Fischer
Paul C Frederick Sr.
David Garrison
Howard Lynn Granger
Chip Hancock
Roger A Harbeson
Frank Patrick Hargadon
John Harrison
Robert Hausladen**
Carl G Herde
James A Hillebrand
David Brent Housman
David Huff
Alex Hunnicutt

Name

John Issacs
Scott Jennings
Dennis Johnson
J. Paul Keith, III
Bob Kleehamer
David L McArthur
Jim McArthur
Charles McCormick**
Tom F. McGuire
Jeffrey A. McKenzie
Russell McKinley
Jeffery Merman
Aaron Miller
David Leon Mooneyhan
Larry Myers
Mike Nettles
Debbie Prewitt
Sarah Provancher
Shane Raymond
John Ribar
Matt Ricketts
S. Bradford Rives
A. Tonii Rizzo
James M Rogers
Robert L Royer
Gregory Sartor
James D Schildt
Charles W. Schnatter
Gregory S Schrecke
Bonnie Schrock
Fletcher M Schrock**
Eric Seto
Wilfred E. Sieg, Jr.
Robert S Silverthorn Jr
Donald H Slone
Jeff Stewart* **
Missy Stober
Richard S. Swope
David Tandy
Howard Ricky Tatum
Carl M Thomas
Terry W. Tyler
Mark F Wheeler
Chuck Willenbrink**
James P Witten
Jason Zachariah*
Jerry Zimmerer

*New Board Member

**District Chair

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

**Financial Statements
and
Auditor's Report**

Year Ended December 31, 2019

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

**Financial Statements
and
Auditor's Report**

Year Ended December 31, 2019

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HENDERMAN, JESSEE & COMPANY, PLLC
Certified Public Accountants

Independent Auditor's Report

To the Executive Board of the
Lincoln Heritage Council of
Boy Scouts of America, Inc.
Louisville, Kentucky

We have audited the accompanying financial statements of the Lincoln Heritage Council of Boy Scouts of America, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of changes in net assets, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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. 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 the Lincoln Heritage Council of Boy Scouts of America, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Council's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 14, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hendersonman Jesse & Company PLLC

August 21, 2020

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Statement of Financial Position

December 31, 2019

With Summarized Comparative Totals for 2018

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total All Funds</u>	
				<u>2019</u>	<u>2018</u>
Assets					
Cash, unrestricted	\$ 1,087,358	\$ --	\$ --	\$ 1,087,358	\$ 1,003,015
Accounts receivable	238,293	1,000	28,312	267,605	406,217
Pledges receivable	186,670	528,338	--	715,008	345,668
Cash, restricted	--	379,371	--	379,371	316,262
Inventory	171,364	--	--	171,364	180,136
Other current assets	<u>62,074</u>	<u>3,421</u>	<u>--</u>	<u>65,495</u>	<u>79,228</u>
Total current assets	1,745,759	912,130	28,312	2,686,201	2,330,526
Pledges receivable, long-term	--	--	692,000	692,000	889,563
Note receivable, net	--	--	--	--	12,360
Land, buildings and equipment, net	--	11,138,055	--	11,138,055	13,928,503
Investments	--	--	11,465,392	11,465,392	7,587,919
Beneficial interest in trusts	<u>--</u>	<u>--</u>	<u>4,004,168</u>	<u>4,004,168</u>	<u>3,763,904</u>
Total assets	<u>\$ 1,745,759</u>	<u>\$ 12,050,185</u>	<u>\$ 16,189,872</u>	<u>\$ 29,985,816</u>	<u>\$ 28,512,775</u>
 Liabilities					
Accounts payable	\$ 407,824	\$ --	\$ --	\$ 407,824	\$ 537,305
Payroll taxes and other	35,872	11,204	--	47,076	110,277
Custodian accounts	520,801	--	--	520,801	479,400
Deferred income	<u>76,258</u>	<u>--</u>	<u>--</u>	<u>76,258</u>	<u>67,844</u>
Total current liabilities	1,040,755	11,204	--	1,051,959	1,194,826
 Net Assets					
Without donor restrictions	477,167	9,994,867	2,297,356	12,769,390	14,193,219
With donor restrictions	<u>227,837</u>	<u>2,044,114</u>	<u>13,892,516</u>	<u>16,164,467</u>	<u>13,124,730</u>
Total net assets	<u>705,004</u>	<u>12,038,981</u>	<u>16,189,872</u>	<u>28,933,857</u>	<u>27,317,949</u>
Total liabilities and net assets	<u>\$ 1,745,759</u>	<u>\$ 12,050,185</u>	<u>\$ 16,189,872</u>	<u>\$ 29,985,816</u>	<u>\$ 28,512,775</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Statement of Changes in Net Assets

Year Ended December 31, 2019

With Summarized Comparative Totals For 2018

Changes in Net Assets Without Donor Restrictions	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total All Funds</u>	
				<u>2019</u>	<u>2018</u>
Support and Revenue					
Direct support:					
Friends of Scouting	\$ 1,077,681	\$ --	\$ --	\$ 1,077,681	\$ 1,112,088
Special events, gross	265,587	--	--	265,587	316,669
Less: costs of direct benefits	<u>123,271</u>	<u>--</u>	<u>--</u>	<u>123,271</u>	<u>119,009</u>
Net special events	142,316	--	--	142,316	197,660
Foundations and trusts	42,821	--	--	42,821	18,167
Legacies and bequests	<u>--</u>	<u>--</u>	<u>4,000</u>	<u>4,000</u>	<u>2,000</u>
Total direct support	<u>1,262,818</u>	<u>--</u>	<u>4,000</u>	<u>1,266,818</u>	<u>1,329,915</u>
Indirect support:					
Associated organizations	17,523	--	80	17,603	18,120
United Way agencies	<u>44,646</u>	<u>--</u>	<u>--</u>	<u>44,646</u>	<u>34,188</u>
Total indirect support	<u>62,169</u>	<u>--</u>	<u>80</u>	<u>62,249</u>	<u>52,308</u>
Revenue:					
Scout shop sales, gross	115,385	--	--	115,385	124,054
Less: cost of sales	<u>100,147</u>	<u>--</u>	<u>--</u>	<u>100,147</u>	<u>86,074</u>
Net scout shop sales	15,238	--	--	15,238	37,980
Product sales, gross	1,749,958	--	--	1,749,958	1,741,846
Less: cost of sales	398,982	--	--	398,982	407,402
commissions	<u>753,386</u>	<u>--</u>	<u>--</u>	<u>753,386</u>	<u>699,341</u>
Net product sales	597,590	--	--	597,590	635,103
Investment income	599,134	1,688	7,842	608,664	604,931
Investment gain (loss)	--	--	51,122	51,122	(66,009)
Camping, net	960,401	--	--	960,401	1,093,517
Activities, net	200,295	--	--	200,295	199,415
Other	<u>234,795</u>	<u>12,637</u>	<u>--</u>	<u>247,432</u>	<u>181,219</u>
Total revenue	<u>2,607,453</u>	<u>14,325</u>	<u>58,964</u>	<u>2,680,742</u>	<u>2,686,156</u>
Reclassified Net Assets					
Friends of Scouting	138,915	--	--	138,915	145,589
Special events	55,600	--	--	55,600	43,950
Capital campaign	--	53,832	--	53,832	9,408
United Way agencies	<u>1,529</u>	<u>--</u>	<u>--</u>	<u>1,529</u>	<u>42,663</u>
	<u>196,044</u>	<u>53,832</u>	<u>--</u>	<u>249,876</u>	<u>241,610</u>
 Total support and revenue	 <u>\$ 4,128,484</u>	 <u>\$ 68,157</u>	 <u>\$ 63,044</u>	 <u>\$ 4,259,685</u>	 <u>\$ 4,309,989</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Statement of Changes in Net Assets, continued

Year Ended December 31, 2019

With Summarized Comparative Totals For 2018

Changes in Net Assets Without Donor Restrictions, continued	Operating	Capital	Endowment	Total All Funds	
	Fund	Fund	Fund	2019	2018
Expense					
Program services	\$ 3,213,529	\$ 642,559	\$ --	\$ 3,856,088	\$ 4,084,860
Supporting services:					
Management and general	428,521	10,993	--	439,514	511,825
Fund raising	<u>454,524</u>	<u>23,789</u>	--	<u>478,313</u>	<u>482,559</u>
Total supporting services	<u>883,045</u>	<u>34,782</u>	--	<u>917,827</u>	<u>994,384</u>
Total functional expenses	4,096,574	677,341	--	4,773,915	5,079,244
Payments to national office	77,232	--	--	77,232	76,641
Bad debts loss	2,717	29,013	1,139	32,869	5,340
(Gain) loss on disposal of property and equipment	<u>--</u>	<u>799,498</u>	<u>--</u>	<u>799,498</u>	<u>(9,138)</u>
Total expense	<u>4,176,523</u>	<u>1,505,852</u>	<u>1,139</u>	<u>5,683,514</u>	<u>5,152,087</u>
Increase (decrease) in net assets without donor restrictions	<u>\$ (48,039)</u>	<u>\$ (1,437,695)</u>	<u>\$ 61,905</u>	<u>\$ (1,423,829)</u>	<u>\$ (842,098)</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Statement of Changes in Net Assets, continued

Year Ended December 31, 2019

With Summarized Comparative Totals For 2018

Changes in Net Assets With Donor Restrictions	Operating Fund	Capital Fund	Endowment Fund	Total All Funds	
				2019	2018
Direct support:					
Friends of Scouting	\$ 158,912	\$ --	\$ --	\$ 158,912	\$ 138,914
Special events	50,950	--	--	50,950	55,100
Capital campaign	--	101,362	--	101,362	296,853
Legacies and bequests	--	--	1,227,000	1,227,000	(14,678)
Increase (decrease) in beneficial interest in trusts	--	--	240,264	240,264	(142,510)
Total direct support	209,862	101,362	1,467,264	1,778,488	333,679
Indirect support:					
United Way agencies	17,974	--	--	17,974	2,029
Investment gain (loss)	--	--	1,493,151	1,493,151	(782,123)
	227,836	101,362	2,960,415	3,289,613	(446,415)
Reclassified Net Assets					
Friends of Scouting	(138,915)	--	--	(138,915)	(145,589)
Special events	(55,600)	--	--	(55,600)	(43,950)
Capital campaign	--	(53,832)	--	(53,832)	(9,408)
United Way agencies	(1,529)	--	--	(1,529)	(42,663)
	(196,044)	(53,832)	--	(249,876)	(241,610)
Increase (decrease) in net assets with donor restrictions	31,792	47,530	2,960,415	3,039,737	(688,025)
Increase (decrease) in total net assets	(16,247)	(1,390,165)	3,022,320	1,615,908	(1,530,123)
Net assets, beginning of year					
Without donor restrictions	525,206	12,675,842	992,171	14,193,219	15,035,317
With donor restrictions	196,045	1,996,584	10,932,101	13,124,730	13,812,755
	721,251	14,672,426	11,924,272	27,317,949	28,848,072
Transfers	--	(1,243,280)	1,243,280	--	--
Net assets, end of year					
Without donor restrictions	477,167	9,994,867	2,297,356	12,769,390	14,193,219
With donor restrictions	227,837	2,044,114	13,892,516	16,164,467	13,124,730
	\$ 705,004	\$ 12,038,981	\$ 16,189,872	\$ 28,933,857	\$ 27,317,949

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Statement of Functional Expenses

Year Ended December 31, 2019

With Summarized Comparative Totals For 2018

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Functional Expenses</u>	
		<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	<u>2019</u>	<u>2018</u>
Salaries	\$ 1,688,818	\$ 115,539	\$ 215,091	\$ 330,630	\$ 2,019,448	\$ 2,084,704
Employee benefits	303,567	33,332	61,194	94,526	398,093	371,796
Payroll taxes	119,708	11,535	21,253	32,788	152,496	158,958
Employee related expense	<u>750</u>	<u>1,942</u>	<u>160</u>	<u>2,102</u>	<u>2,852</u>	<u>14,484</u>
Total salaries and related expenses	2,112,843	162,348	297,698	460,046	2,572,889	2,629,942
Professional fees	16,179	24,850	--	24,850	41,029	113,303
Supplies	386,397	374	63,852	64,226	450,623	442,722
Telephone	45,360	2,665	4,737	7,402	52,762	56,883
Postage and shipping	2,508	237	7,808	8,045	10,553	9,940
Occupancy	261,389	77,477	6,701	84,178	345,567	472,125
Maintenance of equipment	29,483	2,399	4,265	6,664	36,147	94,625
Printing	28,632	115	9,479	9,594	38,226	34,042
Travel	119,155	26,629	18,882	45,511	164,666	151,785
Conference expense	26,963	10,463	--	10,463	37,426	27,691
Specific assistance to individuals	29,534	--	--	--	29,534	25,360
Recognition awards	112,125	1,674	33,576	35,250	147,375	170,727
Interest	--	--	--	--	--	361
Insurance	97,827	75,887	9,167	85,054	182,881	180,382
Other	<u>1,679</u>	<u>44,076</u>	<u>3,802</u>	<u>47,878</u>	<u>49,557</u>	<u>61,881</u>
Total expenses before depreciation	3,270,074	429,194	459,967	889,161	4,159,235	4,471,769
Depreciation	<u>586,014</u>	<u>10,320</u>	<u>18,346</u>	<u>28,666</u>	<u>614,680</u>	<u>607,475</u>
Total year ended December 31, 2019	<u>\$ 3,856,088</u>	<u>\$ 439,514</u>	<u>\$ 478,313</u>	<u>\$ 917,827</u>	<u>\$ 4,773,915</u>	
Total year ended December 31, 2018	<u>\$ 4,084,860</u>	<u>\$ 511,825</u>	<u>\$ 482,559</u>	<u>\$ 994,384</u>		<u>\$ 5,079,244</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Statement of Cash Flows

Year Ended December 31, 2019

With Summarized Comparative Totals For 2018

	Operating Fund	Capital Fund	Endowment Fund	Total All Funds	
				2019	2018
Cash flows from operating activities:					
Change in net assets	\$ (16,247)	\$ (1,390,165)	\$ 3,022,320	\$ 1,615,908	\$ (1,530,123)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Transfers	--	(1,243,280)	1,243,280	--	--
Non-cash contributions	--	--	--	--	(14,729)
Bad debts	2,717	29,013	1,139	32,869	5,340
Loss (gain) on disposal of property and equipment	--	799,498	--	799,498	(9,138)
Investment (gain) loss	--	--	(1,945,015)	(1,945,015)	485,664
Depreciation	--	614,680	--	614,680	607,475
Change in assets and liabilities:					
Accounts receivable	137,141	--	(1,246)	135,895	(226,734)
Pledges receivable	72,333	77,647	80	150,060	(294,886)
Interfund	--	(175,140)	175,140	--	--
Inventory	8,772	--	--	8,772	(19,907)
Other current assets	13,733	--	--	13,733	(22,020)
Beneficial interest in trusts	--	--	(240,264)	(240,264)	142,510
Accounts payable	(129,436)	(45)	--	(129,481)	18,014
Payroll taxes and other	(54,485)	(8,716)	--	(63,201)	97,839
Custodian accounts	41,401	--	--	41,401	(60,528)
Deferred income	8,414	--	--	8,414	42,947
Contributions restricted for long-term purposes:					
Cash contributions	(68,924)	(101,362)	--	(170,286)	(353,982)
Net cash provided by (used in) operating activities	<u>\$ 15,419</u>	<u>\$ (1,397,870)</u>	<u>\$ 2,255,434</u>	<u>\$ 872,983</u>	<u>\$ (1,132,258)</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Statement of Cash Flows, continued

Year Ended December 31, 2019

With Summarized Comparative Totals For 2018

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total All Funds</u>	
				<u>2019</u>	<u>2018</u>
Cash flows from investing activities:					
Purchases of property and equipment	\$ --	\$ (58,803)	\$ --	\$ (58,803)	\$ (266,578)
Purchases of investments	--	--	(7,737,381)	(7,737,381)	(10,535,933)
Proceeds from sale of property and equipment	--	1,418,420	--	1,418,420	9,138
Collection of loan	--	--	--	--	10,405
Proceeds from sale of investments	--	--	<u>5,481,947</u>	<u>5,481,947</u>	<u>10,879,312</u>
Net cash provided by (used in) investing activities	<u>--</u>	<u>1,359,617</u>	<u>(2,255,434)</u>	<u>(895,817)</u>	<u>96,344</u>
Cash flows from financing activities:					
Collections of restricted support	68,924	101,362	--	170,286	353,982
Payment on long-term debt	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(13,368)</u>
Net cash provided by financing activities	<u>68,924</u>	<u>101,362</u>	<u>--</u>	<u>170,286</u>	<u>340,614</u>
Increase (decrease) in cash	84,343	63,109	--	147,452	(695,300)
Beginning cash	<u>1,003,015</u>	<u>316,262</u>	<u>--</u>	<u>1,319,277</u>	<u>2,014,577</u>
Ending cash	<u>\$ 1,087,358</u>	<u>\$ 379,371</u>	<u>\$ --</u>	<u>\$ 1,466,729</u>	<u>\$ 1,319,277</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements

Year Ended December 31, 2019

Note A - Summary of Significant Accounting Policies

Nature of Activities

The Lincoln Heritage Council of Boy Scouts of America, Inc. (the "Council") is one of the oldest local Councils serving both urban and rural areas in the United States. The Council serves thousands of young men ages 7-21 and young women ages 14-21 in 64 counties in Kentucky, Illinois, Indiana and Tennessee. The Council works to achieve excellence in fostering the character development, worldwide citizenship, and the moral, mental and physical fitness of young people. Through traditional programs, such as Cub Scout packs, Boy Scout troops and Venture crews, and innovative outreach programs that serve urban youth and youth with disabilities, the Council prepares young people to make lifelong ethical choices by instilling the values found in the Scout Oath and Law. The primary sources of support and revenue are Friends of Scouting, trusts, camping and activities.

Starting in 2018, families can choose to sign up their sons and daughters who are ages 5-10 for Cub Scouts. Chartered organizations may choose to establish a new girl pack, establish a pack that consists of girl dens and boy dens or remain an all-boy pack. Cub Scout dens will be single gender - all boys or all girls. Using the same curriculum as the Boy Scouting program, Scouts BSA was launched in February 2019, enabling all eligible youth ages 11-17, to earn the Eagle Scout rank. Scouts BSA will be 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.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Council are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The accounts of the Council are maintained in three self-balancing fund groups according to their nature and purposes as follows:

General Operating Fund - The general operating fund is used to account for the Council's operating activities.

Capital Fund - The capital fund is used to account for property, buildings, equipment, and legally restricted cash that is to be expended for property, buildings, and equipment and related debt payments. Revenues and expenses related to the capital fundraising campaign are also included in this fund.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A - Summary of Significant Accounting Policies, continued

Fund Accounting, continued

Endowment Fund - 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 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.

Basis of 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. During 2018, the Council 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.

Prior Year Summarized Comparative Information

The financial statements and certain notes include certain prior year summarized comparative information in total, but not by fund balance. Such information does not always include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Accordingly, such information should be read in conjunction with the Council's financial statements as of and for the year ended December 31, 2018, from which the summarized comparative information was derived.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A – Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

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

Restricted Cash

At December 31, 2019, restricted cash consists of cash received from donor contributions restricted for capital projects. The funds are placed into a separate bank account and as payments are made for the capital projects, operating funds are reimbursed through restricted cash.

Concentrations of Credit Risk

Financial instruments that potentially subject the Council to credit risk consist principally of cash at financial institutions and investments. The Council maintains its cash balances with several financial institutions and at times the balances can exceed the federally insured limits. The financial institutions have a strong credit rating; therefore, management believes the risk is minimal. At December 31, 2019, the Council's uninsured cash balance totaled \$640,200.

Accounts Receivable

Accounts receivable are recorded primarily for product sales and are reported at net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance for doubtful accounts was considered necessary as of December 31, 2019.

Inventory

Inventory consists of Scouting and other items available for resale and is stated at the lower of average cost or net realizable value.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A - Summary of Significant Accounting Policies, continued

Land, Buildings, and Equipment

Purchased property and equipment are recorded at cost. Acquisitions of property and equipment in excess of \$1,500 and expenditures for repairs, maintenance, renewals and betterments that materially prolong the life of assets are capitalized. Expenditures for maintenance, repairs and improvements that do not materially extend the useful lives of the assets are charged to operations as incurred.

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions 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 contributions with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the gain or loss realized on disposition is credited or charged to operations of the Capital Fund.

Construction in Progress

Construction in progress is stated at cost and consists primarily in the construction of building improvements. No provision for depreciation is made on construction in progress until the assets are complete and placed into service.

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the year ended December 31, 2019.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A – Summary of Significant Accounting Policies, continued

Investments

Investments consist primarily of assets invested in marketable equity and debt securities, certificates of deposit and money market accounts. The Council accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the statement of changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

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 year ending December 31, 2019:

Scout Shops and Trading Post Sales - The Council operates two Scout Shops and various Trading Posts at its summer camps, which sell Scouting-related merchandise on a retail basis to customers. The performance obligation is the delivery of the good to the customer. The transaction price is established by the Council based on retail prices suggested by the suppliers. As each item is individually priced, no allocation of the transaction price is necessary. The Council recognizes revenue as the customer pays and takes possession of the merchandise. Some merchandise is sold with a right of return. If probable customer returns exist at the end of an accounting period, the Council estimates and records in its financial statements a liability for such returns, which offsets revenue. No liability for probable customer returns was considered necessary as of December 31, 2019.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A – Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

Product Sales - To help Scout packs and troops raise the money they need for fund programs and activities throughout the year, the Council participates in the Ramsey Popcorn program. Scout packs and troops purchase popcorn from the Council, which they then resell to customers. The Scout packs and troops earn a commission on each sale they make, which may be used to offset the price of the popcorn they purchase from the Council. The popcorn sale also helps the Council raise money in support of its programs. Popcorn sales to Scout units start in the fall of each year, with the units placing their orders online through the Ramsey Popcorn website. The price the Scout unit pays for the popcorn is established by the Council, and each item is individually priced, so no allocation of the transaction price is required. Many BSA units are allowed to purchase popcorn “on account” with payment due at a later date. Per FASB ASU 2014-09, the Council is required to assess the probability of collecting these accounts receivable in order to determine whether there is a substantive transaction between the Council and the unit. In making this collectability assessment, the Council exercises judgement and considers all facts and circumstances, including its knowledge of the customer. The Council uses the Ramsey Popcorn 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 statement of activities and changes in net assets gross revenues from popcorn sales, cost of goods sold, and unit commissions (retained by or paid to the unit). Scout units have the right to return to the Council any unsold product, subject to a return-by date. As of December 31, 2019, no probable popcorn returns exist. 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 the 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 camps or activities are initially recognized as liabilities (deferred revenue) and are only recognized in the statements of activities after delivery of the program has occurred.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A – Summary of Significant Accounting Policies, continued

Revenue Recognition, continued

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 the financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Council in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event. For special event fees received before year-end for an event to occur after year-end, the Council follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

Other Revenue: Other revenue consists primarily of rent revenue and is recognized on a monthly basis as earned.

Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Council. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of changes in net assets. The Council uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A – Summary of Significant Accounting Policies, continued

Donated Materials and Services

Donated materials, facilities, auto leases and printing are recorded in the financial statements at their estimated fair values at the date of receipt. Gifts in kind of approximately \$51,000 were received by the Council for the year ended December 31, 2019.

Donated services are recognized as contributions in accordance with FASB ASC 958-605 and subsections 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. Many volunteers provide services throughout the year that are not recognized as contributions in the financial statements, because the recognition criteria under FASB ASC 958-605 were not met. It is impracticable to determine the fair market value of all donated services by volunteers beyond those required to be recognized as income. However, a substantial number of volunteers have donated significant amounts of their time in the organization's program services and in its fund-raising campaigns.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services 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. The expenses in this category include salaries, employee benefits, payroll taxes, professional fees, supplies, telephone, postage and shipping, occupancy, maintenance of equipment, printing, travel, conferences, recognition awards, interest, insurance and other. 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 as incurred.

Custodial Accounts

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

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A – Summary of Significant Accounting Policies, continued

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 Code of 1986, as amended, 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. Accordingly, no provision for income taxes has been recorded.

Management is not aware of any uncertain tax positions. Accordingly, the financial statements do not include a provision for uncertain tax positions, and no related interest or penalties have been recorded.

Recent Accounting Pronouncements

As of January 1, 2019, the Council adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), 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. Results for reporting the years ending December 31, 2019 and 2018 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

During the year, the Council also adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending December 31, 2019 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

In 2019, the Council adopted the provisions of FASB ASU 2016-18, *Statement of Cash Flows* (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note A – Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements, continued

should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Council has applied the provisions of ASU 2016-18 retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

Effective for the Council in 2019, FASB ASU 2016-01, *Financial Instruments – Overall Recognition and Measurement of Financial Assets and Financial Liabilities* (Topic 825-10) allows an NFP to choose, on an investment-by-investment basis, to report an equity investment without a readily determinable fair value, that does not qualify for the practical expedient fair value in accordance with FASB ASC 820-10-35-59, at its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issue. The FASB ASU requires additional disclosures about those investments. Adoption of this accounting pronouncement had no effect on the Council's 2018 and 2019 financial statements.

Note B - 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>2019</u>	<u>2018</u>
Cash - operating account	\$ 1,087,358	\$ 1,003,015
Accounts receivable - operating fund	238,293	378,151
Pledges receivable - operating fund	<u>186,670</u>	<u>259,003</u>
Total financial assets of as year-end	1,512,321	1,640,169
Appropriation from quasi-endowment for general expenditures in subsequent year	<u>102,443</u>	<u>56,336</u>
Total financial assets available to meet general expenditures within the next 12 months	<u>\$ 1,614,764</u>	<u>\$ 1,696,505</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note B - Liquidity and Availability of Funds, continued

The Council's endowment funds consist of donor-restricted endowments and a quasi-endowment. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note D, the quasi-endowment has a spending rate of six percent. \$102,443 and \$56,336 of appropriations from the quasi-endowment will be available within the next twelve months as of December 31, 2019 and 2018, respectively.

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Council invests excess cash in short-term investments, such as money market accounts. Additionally, the Council has board-designated net assets without donor restrictions that, while the Council does not intend to spend for these purposes other than those identified, the amounts could be made available for current operations, if necessary.

Note C - Fund Balance Transfer

Certain cash transfers between funds were made during the year to properly report all funds on a basis consistent with executive board designations and the Council's accounting policies.

Note D - Endowment Fund

The Council's endowment consists of donor-restricted and board-designated endowment funds. Net assets associated with donor-restricted endowment funds are classified and reported based on the existence or absence of donor imposed restrictions or in accordance with the Executive Board's interpretation of relevant law.

The Council has interpreted the Kentucky Uniform Prudent Management of Institutional Funds Act ("KUPMIFA") as requiring the presentation 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 net assets with donor restrictions: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Income generated by the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by KUPMIFA. In accordance with KUPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds; (2) the purposes of the Council and the donor-restricted endowment funds; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Council; and (7) the investment policies of the Council.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note D - Endowment Fund, continued

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. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed, by fifty basis points over a three to five year period, the price and yield results of the S & P 500 for equity securities and the Barclay's Capital U.S. Intermediate Government/Credit Index for fixed income securities, while assuming a moderate level of investment risk. At December 31, 2019, \$4,004,168 of the endowment funds are held in trusts and gift annuities, the investment of which is determined by the trustees rather than the Council.

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

The Council has a policy of appropriating for distribution each year up to six percent of the endowment fund's average market value for the previous three years, as determined annually. In establishing this policy, the Council considered the long-term expected return on its endowment. The Council believes its spending policy is consistent with the Council's objective to preserve and enhance the purchasing power of the endowment assets held in perpetuity or for a specified term.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Council to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of December 31, 2019 and 2018. The Council has interpreted the KUPMIFA and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

Endowment net asset composition by type of fund as of December 31, 2019 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Donor-restricted endowment	\$ --	\$ 13,892,516	\$ 13,892,516
Board-designated endowment	<u>2,297,356</u>	<u>--</u>	<u>2,297,356</u>
	<u>\$ 2,297,356</u>	<u>\$ 13,892,516</u>	<u>\$ 16,189,872</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note D - Endowment Fund, continued

Changes in endowment net assets for the year ended December 31, 2019, were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment fund net assets, December 31, 2018	\$ 992,171	\$ 10,932,101	\$ 11,924,272
Investment return:			
Interest and dividends	7,842	235,795	243,637
Net realized gains (losses)	3,187	(5,122)	(1,935)
Net unrealized gains	<u>47,935</u>	<u>1,655,378</u>	<u>1,703,313</u>
	58,964	1,886,051	1,945,015
Contributions	4,080	1,227,000	1,231,080
Increase in beneficial interests in trusts	- -	240,264	240,264
Transfers	1,243,280	- -	1,243,280
Appropriation for expenditure	<u>(1,139)</u>	<u>(392,900)</u>	<u>(394,039)</u>
Endowment fund net assets, December 31, 2019	<u>\$ 2,297,356</u>	<u>\$ 13,892,516</u>	<u>\$ 16,189,872</u>

Note E - Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods at December 31, 2019:

Endowment funds subject to a time restriction by KUPMIFA or by trusts	\$ 6,870,537
Endowment funds to be held in perpetuity as stipulated by trusts and governed by KUPMIFA	7,021,979
For subsequent periods	227,837
For capital acquisitions	<u>2,044,114</u>
	<u>\$ 16,164,467</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note F - Pledges Receivable

Pledges receivable consist of the following:

Friends of Scouting	\$ 143,507
Special events	43,163
Restricted to capital improvements	528,338
Restricted to long-term investment	<u>692,000</u>
	<u>\$ 1,407,008</u>

Pledges receivable, due in:

Less than one year	\$ 715,008
More than five years	<u>692,000</u>
	<u>\$ 1,407,008</u>

Note G - Investments

Investments at December 31, 2019, consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
Money market accounts	\$ 410,667	\$ 410,667
Common stock	4,944,985	5,962,736
Mutual funds:		
Equity	2,552,061	2,636,480
Fixed income	<u>2,394,101</u>	<u>2,455,509</u>
	<u>\$ 10,301,814</u>	<u>\$ 11,465,392</u>

Interest and dividends on investments and realized and unrealized gains and losses on sales of investments are initially recorded in the endowment fund. Distributions of investment income and net realized gains from the endowment fund are recorded as income by the operating fund in the period the distributions are made in accordance with the Council's spending policy. Distributions beyond that, pursuant to the spending policy, are reported as transfers. Investment expenses of \$57,707 were netted against investment return.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note H - Beneficial Interests in Trusts

The Council is a beneficiary of a charitable remainder trust whereby the Council receives two-thirds of the income from the trust until October 2021, at which time two-thirds of the remaining trust assets will become part of the Council's permanent endowment. The fair value of the Council's beneficial interest in the trust was \$2,122,000 at December 31, 2019.

The Council also receives distributions in perpetuity from four other trusts. The fair value of the Council's beneficial interest in these trusts was \$1,810,250 at December 31, 2019.

The Council is beneficiary to certain gift annuities that are managed by the National Council. The fair value of the Council's beneficial interest in these gift annuities was \$71,918 at December 31, 2019.

Note I - Fair Value Measurements

The *fair value measurement* topic of the FASB Accounting Standards Codification clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires certain additional disclosures about the use of fair value measurements in order to provide more consistent and comparable information. The Council has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

Fair value measurement defines fair value as the amount that would be received from selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date (an exit price) and establishes a hierarchy that prioritizes inputs to valuation techniques that are used to measure fair value:

Level 1 - unadjusted quoted market prices in active markets for identical assets. The Council's investments in common stocks and mutual funds are based upon the closing market prices on the exchange where they are traded. Money market accounts consist primarily of commercial paper and other cash management instruments. Money market accounts seek to maintain a stable net asset value of \$1.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note I - Fair Value Measurements, continued

Level 2 - other significant observable inputs (including quoted market prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - significant unobservable inputs (including the Council's own assumptions in determining fair value). The fair value of beneficial interests in trust assets was determined based upon the present value of future cash flows from the trusts.

The inputs and methodology used for valuing the Council's financial assets are not necessarily indicators of the risks associated with those assets.

The following table summarizes fair value measurement information for financial assets measured at fair value on a recurring basis at December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 410,667	\$ --	\$ --	\$ 410,667
Mutual funds:				
Equity	2,636,480	--	--	2,636,480
Fixed income	2,455,509	--	--	2,455,509
Common stocks:				
Industrials	598,966	--	--	598,966
Communication services	710,641	--	--	710,641
Consumer discretionary	981,579	--	--	981,579
Financial	1,729,025	--	--	1,729,025
Health care	579,416	--	--	579,416
Information technology	<u>1,363,109</u>	<u>--</u>	<u>--</u>	<u>1,363,109</u>
Total common stocks	11,465,392	--	--	11,465,392
Beneficial interests in trusts	<u>--</u>	<u>--</u>	<u>4,004,168</u>	<u>4,004,168</u>
	<u>\$11,465,392</u>	<u>\$ --</u>	<u>\$ 4,004,168</u>	<u>\$15,469,560</u>

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note I - Fair Value Measurements, continued

The FASB Accounting Standards Update, *Improving Disclosures about Fair Value Measurements*, requires that, in the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements on a gross basis rather than as one net number (ASU 2010-06). The following reconciles assets classified as Level 3 measurements for the year ended December 31, 2019:

Balance, beginning of year	\$ 3,763,904
Gain: reported in net assets with donor restrictions	<u>240,264</u>
Balance, end of year	<u>\$ 4,004,168</u>

Note J - Land, Buildings and Equipment

Land, buildings and equipment at December 31, 2019, consist of the following:

Land	\$ 2,433,853
Buildings, structures and land improvements	14,719,303
Furniture, fixtures and equipment	912,587
Construction in progress	<u>12,291</u>
	18,078,034
Less: accumulated depreciation	<u>6,939,979</u>
	<u>\$ 11,138,055</u>

As part of the acquisition of the Shawnee Trails Council in 2014, the Council acquired a \$650,000 permanent easement on 354 acres on the west shore of Kentucky Lake which is included in "Land". The value was based on an independent appraisal.

On June 12, 2019, the Council sold a 758 acre parcel of land associated with Camp Wildcat Hollow located in Russellville, Kentucky. This land was acquired as part of the acquisition of the Shawnee Trails Council in 2014 and was not a component of the Council's core operations. The sale resulted in a loss of \$796,580, which is included in the statement of changes of net assets.

Note K – Employee Benefit Plans

Retirement Plan

The National Council has a qualified defined benefit retirement plan (the "Plan") administered at the National Service Center that covers employees of the National Council and local councils, including the Lincoln Heritage Council. The Plan name is the *Boy Scouts of America Master Pension Trust - Boy Scouts of America Retirement Plan for Employee*. Effective December 31, 2018, the Plan was

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note K – Employee Benefit Plans, continued

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). 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) contribute 4.25 percent of compensation, and the Council contributes an additional 7 percent to the Plan. Pension expense (excluding the contributions made by employees) was \$46,483 in 2019 and covered current service cost. The actuarial information for the Plan as of February 1, 2019, indicated that it was in compliance with ERISA regulations regarding funding.

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 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 Match Savings Plan up to 100 percent of contributions from each participant, limited to 6 percent of each employee's gross pay. The Council contributed \$102,679 to the Match Savings Plan during 2019.

Healthcare Plan

The Council's employees participate in a healthcare plan provided by the National Council. The Council pays a portion of the cost for its employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the year ended December 31, 2019, the Council remitted \$212,869 on behalf of its employees to the National Council related to the healthcare plan.

Note L - Lease Commitments

The Council operates three Scout shops located in Owensboro, Paducah, and Bowling Green. The Council leases the building space for these Scout shops under operating leases that range from month-to-month to one-year terms.

The Council leases automobiles from related parties under operating leases that are generally for three-year terms. Total rentals charged to expense during 2019, including the value of leased automobiles donated to the Council, were \$56,744.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note L - Lease Commitments, continued

Future minimum rentals under the above leases, excluding donated leases, are as follows:

	Operating Leases
Years ending December 31:	
2020	\$ 6,572
2021	<u>6,172</u>
Total minimum lease payments	<u>\$ 12,744</u>

Note M - Contingencies

The Council has been named as a defendant or has been made aware of personal injury claims against it arising out of the normal course of business. The Council has and will continue to vigorously defend these actions. The cost to defend the Council is covered by the National Council, Boy Scouts of America. At the present time, management is unable to estimate a probable outcome of these matters and accordingly no provision for liabilities, if any, has been made in the accompanying financial statements.

The National Council has been named as a defendant in lawsuits alleging sexual abuse, including claims for compensatory and punitive damages. The Council is a separate not-for-profit organization. The National Council has disclosed that in the event that its general liability insurance program or its reserves are insufficient to resolve such claims, it is their opinion that the total amount of payments to resolve current and future claims could have a significant impact on the financial position or results of operations of the National Council.

The National Council provides the Council with a charter, program materials and support for administration as well as sponsoring certain benefit plans for Council employees. Since 1978 the National Council has operated a general liability insurance program in which the Council participates. On February 18, 2020, the National Council filed for protection under chapter 11 of the United States Bankruptcy Code. The National Council continues to operate its business in the ordinary course and has received bankruptcy court approval to continue its relationship with the Councils including the benefit and insurance programs noted above. Neither the Council nor any other local council are parties to the bankruptcy proceeding. The National Council has sought to stay litigation against both the National Council and local councils and has proposed a plan of reorganization that would protect local councils from any further legal exposure for abuse claims arising prior to February 18, 2020 subject to a yet to be determined contribution from local councils. The ability of the National Council to confirm such a plan and the size of the potential contribution from the Council is unknown. Management of the Council is unable to assess the effect, if any, the resolution of these matters by the National Council may have on the Council's operations or its financial statements.

See accompanying notes to financial statements.

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

Notes to Financial Statements, continued

Year Ended December 31, 2019

Note N - Scout Shop

The National Council operates two Scout shops within the Council's area. The National Council manages the Scout shops and pays the Council an 8 percent commission on gross sales up to \$750,000, and 13 percent on sales in excess of \$750,000. The commissions earned (before expenses) by the Council during 2019 amounted to approximately \$71,800, which are included in other revenue in the Statement of Changes in Net Assets.

Note O - Related Party Transactions

For the year ended December 31, 2019, the Council purchased approximately \$270,000 of goods for resale from a company controlled by a board member.

As of December 31, 2019, the Council had pledges receivable of approximately \$389,450 from board members or their related entities.

Note P - Subsequent Events

Management evaluated subsequent events for recognition or disclosure through August 21, 2020, the date the financial statements were available to be issued. There are no significant events that require disclosure in these financial statements, except as follows:

In March 2020, the World Health Organization declared the global novel coronavirus disease ("COVID-19") outbreak a pandemic. Further, the United States Centers for Disease Control and Prevention confirmed the spread of the disease throughout the United States. As of the date the financial statements were available to be issued, the Council's operations have been significantly impacted by the COVID-19 outbreak. The Council has been unable to host any in-person activities and fundraising has been hindered by COVID-19. The Council has planned and implemented some virtual options. The total impact of COVID-19 is not known at this point as the scale and severity of the outbreak, and resulting economic impact, is still largely unknown.

In April 2020, the Council received a Paycheck Protection Program loan under the CARES act of approximately \$522,000. Under the CARES act, subject to limitations and further amendment, this loan may be partially or fully forgiven depending on the Council making qualified payments and otherwise being eligible for loan forgiveness under guidance issued by the SBA. As of the date of this report, the Council has not submitted the Paycheck Protection Program loan forgiveness application.

See accompanying notes to financial statements.

Supplementary Information

**Independent Auditor's Report
On Supplementary Information**

To the Executive Board of the
Lincoln Heritage Council of
Boy Scouts of America, Inc.

We have audited the financial statements of the Lincoln Heritage Council of Boy Scouts of America, Inc. as of and for the year ended December 31, 2019, and have issued our report thereon dated August 21, 2020, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 31 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Hendersonman Jesse & Company PLLC

August 21, 2020

**LINCOLN HERITAGE COUNCIL OF
BOY SCOUTS OF AMERICA, INC.**

**Operating Fund - Unrestricted
Budget-To-Actual Report**

Year Ended December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Support and Revenue:			
Friends of Scouting	\$ 1,227,490	\$ 1,216,596	\$ (10,894)
Special events, net	290,100	197,916	(92,184)
Foundations and trusts	18,000	44,350	26,350
Associated organizations	16,000	17,523	1,523
United Way agencies	59,040	44,646	(14,394)
Product sales, net	699,000	597,590	(101,410)
Scout shop sales, net	60,000	15,238	(44,762)
Investment income/gains	542,000	599,134	57,134
Camping, net	1,164,624	960,401	(204,223)
Activities, net	226,058	200,295	(25,763)
Miscellaneous	<u>170,100</u>	<u>234,795</u>	<u>64,695</u>
Total support and revenue	4,472,412	4,128,484	(343,928)
Expenses:			
Salaries	2,190,830	2,019,448	(171,382)
Employee benefits	399,712	398,093	(1,619)
Payroll taxes	179,893	152,497	(27,396)
Employee related expenses	<u>12,000</u>	<u>2,852</u>	<u>(9,148)</u>
	2,782,435	2,572,890	(209,545)
Professional fees	43,300	41,029	(2,271)
Supplies	472,430	442,536	(29,894)
Telephone	56,150	52,762	(3,388)
Postage and shipping	13,635	10,553	(3,082)
Occupancy	327,860	295,743	(32,117)
Equipment maintenance and rental	35,000	36,147	1,147
Printing	39,613	38,226	(1,387)
Travel	195,025	164,666	(30,359)
Conference expense	37,700	37,426	(274)
Specific assistance to individuals	36,395	29,534	(6,861)
Recognition awards	124,995	142,809	17,814
Insurance	193,087	182,881	(10,206)
Other	54,180	49,372	(4,808)
Charter fee	77,500	77,232	(268)
Bad debts	<u>- -</u>	<u>2,717</u>	<u>2,717</u>
Total expense	4,489,305	4,176,523	(312,782)
Increase in unrestricted net assets	<u>\$ (16,893)</u>	<u>\$ (48,039)</u>	<u>\$ (31,146)</u>

registration fees, camp scholarships, uniforms, handbooks, and paid part-time adult leadership at no charge for youth in need.

Our Challenge

- 16% of Kentucky's low-income students will NOT graduate from high school.
- More than 22% of children in Jefferson County live below the national poverty level.
- Kentucky ranks 34th nationally for children living with safe, secure, and stable family circumstances.

Scouting's Impact

Scouting has proven to have a positive and lasting impact on young people. Youth that are in Scouting are more likely to graduate from high school and less likely to use drugs. 94% of parents say Scouting helped their young person become a better leader.

For every 100 Scouts:

- 18 will develop a hobby that will last a lifetime
- 12 will have their first contact with a church
- 8 will enter a vocation they learned through the merit badge system
- 17 will become Scout volunteers
- 1 will use skills they developed in scouting to save someone's life

Partners

Newburg Middle / West End School / Brooklawn / Maryhurst / W.E.B Dubois Academy / Portland CC / Lighthouse Academy / Wheatley Elementary / Frayser

Elementary / Minors Lane Elementary / Maupin Elementary

Goal

Due to COVID-19 considerations, we have moved to a virtual campaign. Our goal is to raise \$70,000 through this campaign by October 23. Your support will help The Lincoln Heritage Council Outreach program continue to make Scouting available to all youth regardless of their family history, economic status or background.

YOUR IMPACT

Individual Sponsor Levels



Support The Fling!

\$100

DONATE(<https://app.mobilecause.com/form/Y4J64A>)



**Provide a Scout with a uniform,
handbook and registration**

\$250

DONATE(<https://app.mobilecause.com/form/Y4J64A>)





**Send Two Scouts to Summer Camp
for a week**

\$500

DONATE(<https://app.mobilecause.com/form/Y4J64A>)



Support a Scout for One Year

\$1,000

DONATE(<https://app.mobilecause.com/form/Y4J64A>)

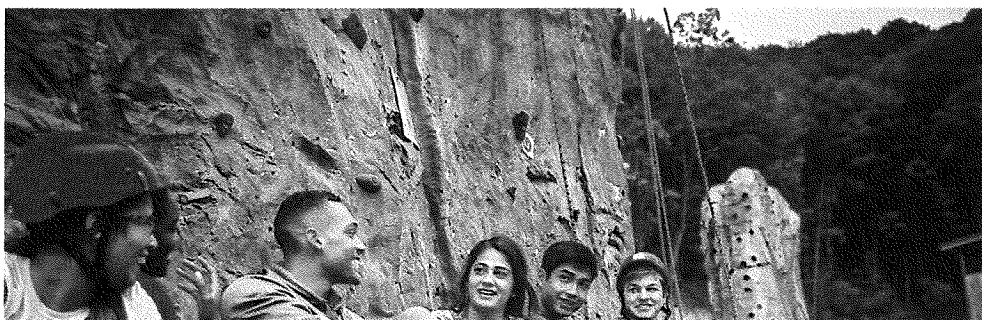
Corporate Sponsor Levels



RUBY SPONSORSHIP Support an Outreach Group for One Month

\$1,500

DONATE(<https://app.mobilecause.com/form/Y4J64A>)





**SAPPHIRE SPONSORSHIP Support
an Outreach Group for Three
Months**

\$2,500

DONATE(<https://app.mobilecause.com/form/Y4J64A>)



**EMERALD SPONSORSHIP Support an
Outreach Group for Half a Year**

\$5,000

DONATE(<https://app.mobilecause.com/form/Y4J64A>)



DIAMOND SPONSORSHIP Support an Outreach Group for One Year

\$10,000

DONATE(<https://app.mobilecause.com/form/Y4J64A>)

Corporate Sponsor Benefits

Diamond Sponsor

Two Eblast (20K followers) post featuring your

company as a major sponsor of Scouting programs for at-risk youth / Two Facebook page (5K followers) post featuring your company as a major sponsor of Scouting programs for at-risk youth / Name & Logo on Fling website / present you with a tabletop statue commemorating your sponsorship of Scouting programs for at-risk youth

Emerald Sponsor

One Eblast (20K followers) post featuring your company as a major sponsor of Scouting programs for at-risk youth / One Facebook page (5K followers) post featuring your company as a major sponsor of Scouting programs for at-risk youth / Name & Logo on Fling website

Sapphire Sponsor

One Eblast (20K followers) post featuring your company as a major sponsor of Scouting programs for at-risk youth / Name & Logo on Fling website

Ruby Sponsor

One Facebook page (5K followers) post featuring your company as a major sponsor of Scouting programs for at-risk youth / Name & Logo on Fling website



THANK YOU

- ♡ **John-Robert Curtin**
- ♡ **Modern Woodmen of America**
- ♡ **Chris Lovekamp**
- ♡ **Scott Gregor**
- ♡ **Blendex Company**
- ♡ **Neal Harding**
- ♡ **Martin Goldsmith**
- ♡ **Dennis Johnson**
- ♡ **Brian McCarty**
- ♡ **Bruce Drake**