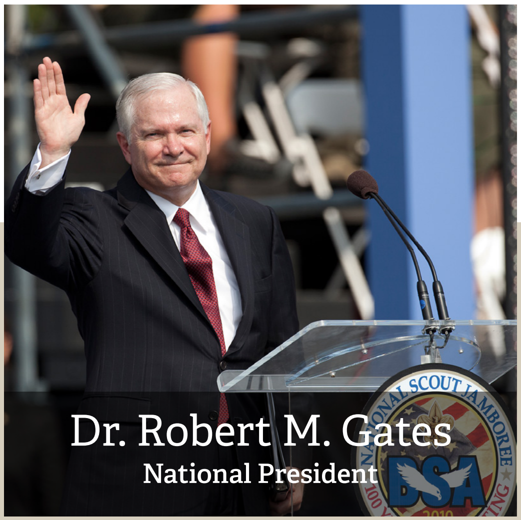
BOY SCOUTS OF AMERICA®

BSA ANNUAL REPORT

A look at 2014 and the strides we took in shaping the lives of America's youth.

MEET OUR LEADERSHIP

The Boy Scouts of America is led by National President Dr. Robert M. Gates, Chief Scout Executive Wayne Brock, and National Commissioner Tico Perez



Dr. Robert M. Gates
National President

Wayne Brock
Chief Scout Executive

Tico Perez
National Commissioner

DR. ROBERT M. GATES
National President

"Scouting's gift to America, it's legacy for over a century, has been one generation after another of worthy leaders for our communities and for our country. The challenge before us here today and going forward is the same that faced our predecessors: To sustain and strengthen Scouting so that it continues to provide for America servant leaders of character, faith, skill, and courage."

35th National President • Distinguished Eagle Scout • Silver Buffalo • Former President of the National Eagle Scout Association • Former U.S. Secretary of Defense

WAYNE BROCK

Chief Scout Executive

"Although I was too young to realize it at the time, when I joined Cub Scouts at the age of 8, I had found my piece of the puzzle. Scouting has been an important of my life since that day. In fact, outside of my family and my church, the next strongest influence in my life has been Scouting."

12th Chief Scout Executive • Distinguished Eagle Scout • Order of the Arrow Distinguished Service Award

TICO PEREZ

National Commissioner

"I've been involved in Scouting for almost 40 years—it's been a phenomenal journey. But for me, it all started with one Scout leader who inspired me, and our incredible program. It just goes to prove that Scouting isn't something we do, it is something we are. It is who we are, and how we define ourselves."

Distinguished Eagle Scout • Silver Buffalo • Order of the Arrow Distinguished Service

WHO WE ARE

For more than a century, Scouting has been an ongoing adventure that teaches a powerful set of real-life skills and develops fundamental qualities that help young people become "Prepared. For Life.®"

SCOUT OATH

On my honor I will do my best to do my duty to God and my country and to obey the Scout Law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight.

SCOUT LAW

A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent.

MISSION

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.

VISION

The Boy Scouts of America will prepare every eligible youth in America to become a responsible, participating citizen and leader who is guided by the Scout Oath and Scout Law.

WHO WE SERVE

The BSA helps build the future leaders of this country by combining educational activities and lifelong values with fun. Scouting provides unique, life-changing experiences you can't get anywhere else.

2.4M
total youth participants

The BSA provides the nation's foremost youth program of character development and values-based leadership training in approximately 280 local councils.

1.3M
boys 6-10 in Cub Scouts

Cub Scouting is a family-oriented program designed specifically to address the needs of younger boys.

885K
boys 11-17 in Boy Scouts and Varsity Scouts

Boy Scouts can go places, test themselves, and have one-of-a-kind adventures they can't get anywhere else.

111K
young men and women 14-20 in Exploring career-based programs

Exploring provides real-world, hands on career experiences.

158K
young men and women 14-20 in Venturing and Sea Scouts

Venturing's purpose is to provide positive, adventurous experiences to help prepare young people to become responsible and caring adults.

422K
boys and girls in elementary through high school in Learning for Life character education programs

Learning for Life makes academic learning fun and relevant to real-life situations with age-appropriate and grade-specific material.

The 2014 Report of the Treasurer and Consolidated Financial Statements discusses the sources, uses, and stewardship of the National Council's financial resources.

New National President

Dr. Robert M. Gates, former U.S. secretary of defense and former director of central intelligence, began serving as the BSA's 35th national president in May. In this volunteer role, Dr. Gates leads the National Executive Board, which guides the BSA, for two one-year terms.

"The Boy Scouts of America had a profound influence on my childhood and helped form the foundation of my career in public service. I've had tremendous opportunities in my life, but I can say without hesitation that my memories of Scouting are every bit as vivid and meaningful as what came later." said Dr. Gates. "Scouting teaches youth how to set and achieve goals, develops a deep commitment to serve others, and creates leaders for tomorrow who are not only prepared to serve their communities, but also prepared for life and leadership. Just as it did for me."

Dr. Gates has a long history of participation and service in the BSA. He is a past member of the National Executive Board; a past president of the National Eagle Scout Association; a distinguished Eagle Scout; a recipient of the Silver Buffalo Award, the highest commendation given by the BSA for extraordinary service to youth; and a Vigil Honor member of the Order of the Arrow, the highest mark of distinction and recognition for those with exceptional service and unselfish interests.

Scouting Works

Established in 2014, Scouting Works offers brands the opportunity to partner with one of the nation's most recognized and trusted organizations (that's the BSA, of course). It's more than a new department within the BSA's National Service Center in Irving, Texas—it is an innovative new approach that seeks to foster collaboration with like-minded brands and impact the lives of our youth and their families. Through marketing, media, and sales opportunities, Scouting Works seeks to grow the BSA while helping brands reach millions of youth and families.

Last year, this integrated approach paid dividends by inking new partnerships with Jack Links—whose popular beef, pork, and turkey products became "The Official Protein Snack of the Boy Scouts of America"—and Polaris, the leading manufacturer of off-road vehicles.

Looking ahead, Scouting Works will continue to give brands the chance to support the learning and growth opportunities the BSA offers youth. This synergistic approach will continue to benefit the life-changing experiences offered to Scouts, as well as the brands that get to be part of them.

Sustainability

Sustainability is a big word with many aspects. But when you break it down, it goes hand in hand with being a good Scout. Sustainability means the ability to endure. Conserving the land, forests, air, water, wildlife, and limited resources we all share is everyone's responsibility. Reducing what we consume and recycling, repurposing, restoring, and repairing what we own all are parts of being thrifty, a key point of the Scout Law.

While we have always taken those words to heart, in 2014 the BSA began developing a comprehensive, multiyear strategy to adopt principles of sustainability at every level of our movement.

Rather than create another program, initiative, or emphasis, we are adopting a sustainability mindset that will guide everything we do as an organization. From the local unit to the council camp to the national office, we want to set an example for our Scouts, our communities, and ultimately our nation.

This effort included a Sustainability Summit, which gathered some of the foremost thinkers and doers in the field for several days of presentations and wide-ranging discussions aimed at creating a more sustainable world. It also included our first-ever Sustainability Report, which outlined the BSA's efforts toward helping our members move from leaving no trace to leaving a legacy.

The BSA is committed to developing the next generation of environmental leaders and to working hard to integrate sustainability at every level of our organization. After all, Scouting was green when green was just a color. But today, as our inaugural sustainability report describes, we are moving from "green" to "deep green."

REPORT TO THE NATION

Each year, as part of the BSA's congressional charter, we are required to present a report to the speaker of the U.S. House of Representatives. This report is a presentation of who we are and what we do as a community—from the organization as a whole down to each individual unit.

BUILDING INTERESTS

The Boy Scouts of America launched two new merit badges in 2014 focused on the careers, hobbies, and activities Scouts enjoy: Mining in Society and Digital Technology, the latest in a series of merit badges covering science, technology, engineering, and math (STEM) topics.

Digital Technology covers the Internet, smartphones, content creation on digital devices, and much more. So much more, in fact, that it replaced the Computers merit badge, which was discontinued at year end.

Cooking Merit Badge also was added to the list of badges required for Eagle Scout, and completely revamped to sharpen its focus on the importance of nutrition and healthy lifestyles.

The BSA also released the fifth edition of its iconic Fieldbook–Scouting's Manual of Basic and Advanced Skills for Outdoor Adventure. Marking the first new edition of the book in more than 10 years, and the first new edition available in a digital format, the Fieldbook is the go-to manual for everyone who seeks to explore, experience adventure, and appreciate nature.

BUILDING COMMUNITIES

The BSA prepares young people for lives of service by providing opportunities for them to help their communities through service to others. During 2014, Scouts across America recorded 14,356,107 hours of service to their communities at a value of more than $323 million (based on a national volunteer-hour value of $22.55).

Since joining the Messengers of Peace program in 2013—a global initiative designed to inspire millions of young men and women in more than 220 countries and territories to work toward peace—the BSA has joined Scouts worldwide to contribute more than 600 million hours (and counting) of community service.

BUILDING LEADERS

The BSA prepares young people for leadership by giving them the skills to take responsibility and teach by example. For example, Eagle Scout is the highest attainable rank in Boy Scouting, and Scouts must demonstrate proficiency in leadership, service, and outdoor skills at multiple levels before achieving the Eagle rank.

In 2014, 51,820 Scouts earned the rank of Eagle Scout. In addition to the 21 life skills merit badges required to earn the Eagle Scout rank, each Scout must complete an extensive service project that he plans, organizes, leads, and manages before his 18th birthday. In 2014, Eagle Scout projects provided more than $183 million in service to communities across the nation. (Three Eagles, in particular, were honored for their inspiring projects and service to their communities. Learn more about them at nesa.org.)

BUILDING ADVENTURE

Scouts do things. They build, they play with purpose, they make friends and work together. They set goals and clear them. They go places—physically, mentally, and spiritually. These life-changing experiences—and the confidence they provide—become bricks in the wall of childhood. Bricks that eventually form a foundation that a Scout can stand on to embrace opportunity and overcome obstacles. For the parents watching in awe, it's not a question of where their Scout will go, but where won't he or she go.

As they have for more than 100 years, Scouts headed outside in 2014. In all, nearly 1.1 million Scouts spent at least one night outside during the year at the BSA's thousands of day and summer camps, including 57,354 at our high-adventure bases in New Mexico, Florida, Minnesota, and West Virginia. In all, Scouts camped a total of 6,027,435 nights during the year.

At the Summit Bechtel Family National Scout Reserve (SBR) in the mountains of West Virginia, thousands of campers from across the United States became the first to experience the new facility's inaugural high-adventure program. Throughout the summer, Boy Scouts and Venturers arrived at SBR's Paul R. Christen National High Adventure Base for days filled with rafting and kayaking; climbing, zip line, and ropes courses; shooting sports; and mountain biking, skateboarding, and BMX options. In addition, each group staying for the weeklong program performed a service project, designed to give back to the state of West Virginia.

2014 Report of the Treasurer and Consolidated Financial Statements

Prepared. For Life.®

BOY SCOUTS OF AMERICA®

2014 IN REVIEW

($ stated in thousands)

The Boy Scouts of America (BSA), consisting of 280 local councils, continued to deliver an exciting and valuable program to young people in 2014, with approximately 2,419,000 youth members and Explorers registered in individual programs. Approximately 981,000 registered adult leaders provide support to these youth. Moreover, three of the national high-adventure bases continue to set attendance records, with 57,000 Scouts and Scouters attending. The Summit Bechtel Family National Scout Reserve (the Summit) saw its first full year of service with approximately 4,800 attendees totaling over 25,000 camper days.

The following further discusses sources, uses, and stewardship of the National Council's resources during 2014.

Unrestricted net assets:

Net Assets, Controlling Interest

The National Council's controlling interest in its unrestricted net assets, which includes general operations and board-designated net assets, increased by $33,364 during 2014. Net assets released from restriction due to the satisfaction of purpose account for the majority of this increase and resulted in board-designated net assets increasing $43,505. Unrestricted net assets from general operations decreased approximately $10,141 primarily attributable to increased depreciation related to the Summit and the appropriation of 2013 surplus to board-designated funds; however, the decrease was offset by day-to-day activities of general operations which did generate a surplus available for appropriations of $6,980 during 2014, an increase of $166 from 2013. General operating surpluses are generally utilized for special initiatives and capital improvements.

Board-designated net assets comprise funds previously appropriated by the Board, such as for endowment, land, buildings, and equipment, and special program and administrative initiatives. Also included are funds related to Retirement Benefit Trust (RBT), the General Liability Insurance Program (GLIP), and self-funding events, such as the world and national jamborees or Top Hands.

<u>Revenues</u> –

Fees decreased in 2014 by $9,934 with the absence of the 2013 National Scout Jamboree fees totaling $32,784. This is offset by a membership fee increase effective January 1, 2014, which led to increased membership revenues despite a decline in membership.

Unrestricted contributions decreased from $16,472 to $10,806 in 2014 mainly due to a decrease in individual giving and in estate gifts.

Investment income of unrestricted net assets reported $28,105, a decrease from $68,588 in 2013. The total return for investments held in the unrestricted endowment was 6.10 percent during 2014 compared with a 14.34 percent gain during 2013. The endowment, RBT, and GLIP investments are among the designated assets within this portfolio, and these are overseen by a committee of the Board that also oversees restricted investment portfolios. The related investment purchases and sales are primarily the result of the decisions of investment managers in fulfilling their investment mandates.

<u>Expenses</u> –

Total expenses decreased by $20,571 to $224,561 in 2014, down from $245,132 during 2013. Exceeding this amount of decrease was a decline in expenses from 2013 to 2014 for $51,382 as a result of the 2013 National Scout Jamboree. Offsetting the decrease in expenses of the 2013 National Scout Jamboree is an increase in costs related to reimaging BSA educational programs and product development around an integrated digital distribution system.

<u>Board actions during 2015</u> –

At its February 2015 meeting, the National Executive Board appropriated the aforementioned $6,980 surplus generated from general operations along with $1,487 remaining funds from prior appropriations to be allocated $4,106 for the high-adventure bases, $1,500 for Scouting tools enhancements, and the remaining $2,861 for other various projects and contingency.

Net Assets, Noncontrolling Interest

Also reported within unrestricted net assets is the local councils' noncontrolling interest in the Commingled Endowment LP which contains investments managed by the Boy Scouts of America Asset Management LLC (BSAAM). Investment income reported for these local councils decreased to $7,162 in 2014 compared to $12,288 in 2013. Overall, including the aforementioned investment income, noncontrolling unrestricted net assets increased to $26,836, as more local councils joined the BSAAM portfolio.

Restricted net assets:
Net assets restricted by donors are either permanently restricted (endowment) and may not be spent or they are temporarily restricted and their use is restricted to a specific purpose or during a specific time period.

Restricted contribution income increased to $48,689 for 2014, an increase of $27,704 from 2013 donation levels.

Investment income gains for 2014 are $6,418.

During 2014, $68,986 of restricted net assets was used for donor-specified purposes, compared with the prior-year amount of $29,321.

Overall, net assets restricted by donors decreased in 2014 by $13,879 to a total of $213,874.

Total net assets:
The National Council's total net assets increased in 2014 by $46,321 compared to $62,971 in 2013.

Financial condition, liquidity, financing, and capital resources:
Tax exempt bond proceeds totaling $275,000 were received for the Summit development in 2012 and 2010. Those bond proceeds were used in their entirety to finance the project and as of December 31, 2014 and 2013; no cash is available from the issuance from the bonds to be used for the Summit development.

Available to supplement the cash from bond debt work on the project and/or general operations is a $75,000 line of credit, of which, $17,000, was being utilized as of December 31, 2014.

The Summit had property additions of $5,504 in 2014. This was funded through restricted contributions received for development of the Summit or through its operations. Total cost currently projected and authorized, excluding start-up and operational costs, are estimated to be approximately $367,000 through December 31, 2015. Management believes that cash generated from operations, together with the liquidity provided by existing cash balances, the line of credit, along with significant donor contributions, will continue to be sufficient to pay the bond payments as scheduled. The remaining costs of the Summit development project are being scheduled as donor cash is received.

In addition, capital is required to expand, improve, or replace the National Council's other properties such as its high-adventure facilities, its distribution center and retail stores (Scout shops), and the rest of its infrastructure in order to maintain a high level of service to its constituents. During 2014, the National Council added $10,629 in property additions. These capital investments were funded from existing cash balances.

Unrestricted cash and cash equivalents increased by $10,675 during 2014, and $17,057 of net cash was provided by operations during 2014. Management believes that cash generated from operations, together with the liquidity provided by existing cash balances and the line of credit will continue to be sufficient to fund the non-Summit liquidity requirements during the next 12 months.

The National Council also was impacted by funding requirements for the BSA Retirement Plan (see Note 16). In 2014, a Congressional amendment provided the BSA Retirement plan with a permanent exemption from the Pension Protection Act of 2006, as amended, and as such changed the funding requirements applicable to the National Council.

The National Council's financial condition for 2014 and the next few years will depend, in large part, upon three factors. The first is the outcome of the litigation discussed within this report (see Note 9) and the impact to the General Liability Insurance Program (Note 7). The second lies with the success of securing donations for the Summit project in order to continue to pay bond payments as scheduled and maintaining debt covenants. The third factor is the economy and legislation and their effect on market conditions and liquidity requirements. The National Executive Board, Advisory Council, and other dedicated volunteers and staff continue to work diligently to ensure that the National Council successfully addresses these factors. A strong National Council helps to make sure the Scouting program remains effective and true to its mission.

Respectfully,

James S. Turley

James S. Turley
VP Finance – Treasurer

April 22, 2015

[THIS PAGE LEFT INTENTIONALLY BLANK]

Independent Auditor's Report

To the Executive Board of the National Council of Boy Scouts of America

We have audited the accompanying consolidated financial statements of the National Council of Boy Scouts of America and its affiliates (the National Council), which comprise the consolidated statement of financial position as of December 31, 2014 and the related consolidated statements of revenues, expenses and other changes in net assets, functional expenses and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the National Council's preparation and fair presentation of the consolidated 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 National Council'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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Council of Boy Scouts of America and its affiliates at December 31, 2014, 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.

Other Matter

We have previously audited the National Council of Boy Scouts of America and its affiliates' 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 9, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PricewaterhouseCoopers LLP

Dallas, Texas
April 22, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2014 (with summarized totals for 2013) (In thousands) Boy Scouts of America

	2014	2013
Assets		
Cash and cash equivalents	$ 42,453	$ 31,778
Investments, at fair value including collateral for securities on loan of $40,097 (2013—$59,830) (Note 2)	842,967	853,401
Accounts receivable, less allowance of $114 (2013—$113)	16,868	15,517
Pledges receivable, less discount of $25,256 (2013—$21,419) (Note 4)	68,831	61,929
Other receivables	1,196	1,298
Gift annuities	8,284	8,260
Prepaid and deferred charges	5,542	4,310
Inventories, less provision for obsolescence of $4,686 (2013—$4,297)	60,008	65,472
Land, buildings, and equipment, net (Note 5)	461,546	463,058
Other	11,726	10,021
Total assets	$ 1,519,421	$ 1,515,044
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 34,226	$ 32,574
Gift annuities	8,284	8,260
Unearned fees and subscriptions	44,372	37,628
Notes payable including line of credit (Note 6)	278,488	294,684
Insurance reserves (Note 7)	137,266	151,701
Payable upon return of securities loaned (Note 2)	40,097	59,830
Total liabilities	542,733	584,677
Net assets:		
Unrestricted (Note 10):		
Unrestricted controlling interest:		
General operations	12,600	22,741
Board-designated	615,685	572,180
Total unrestricted—controlling interest	628,285	594,921
Unrestricted—noncontrolling interest (Commingled Endowment LP)	135,029	108,193
Total unrestricted	763,314	703,114
Temporarily restricted (Note 11)	127,639	144,305
Permanently restricted (Note 11)	85,735	82,948
Total net assets	976,688	930,367
Total liabilities and net assets	$ 1,519,421	$ 1,515,044

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS

Year ended December 31, 2014 (with summarized totals for 2013) (In thousands) Boy Scouts of America

	Unrestricted (Note 10)	Temporarily Restricted (Note 11)	Permanently Restricted (Note 11)	Total 2014	Total 2013
Revenues:					
Fees (Note 12)	$ 113,138			$ 113,138	$ 123,072
Supply operations—sales	140,460			140,460	150,470
Cost of sales and expenses	(114,528)			(114,528)	(121,806)
	25,932			25,932	28,664
Magazine publication—sales	14,458			14,458	16,844
Cost of production and expenses	(14,273)			(14,273)	(15,941)
	185			185	903
Contributions and bequests	10,806	$ 48,185	$ 504	59,495	37,457
Other—including trading post sales	14,196			14,196	13,800
Cost of sales and expenses	(3,423)			(3,423)	(3,305)
	10,773			10,773	10,495
Total revenues before net investment gain	160,834	48,185	504	209,523	200,591
Investment income, net of fees	28,105	4,135	2,283	34,523	82,296
Total revenues	188,939	52,320	2,787	244,046	282,887
Net assets released from restrictions:					
Donor restrictions satisfied	68,986	(68,986)			
Expenses:					
Program services:					
Field operations	42,296			42,296	37,162
Human resources and training	12,497			12,497	9,746
Program development and delivery	78,860			78,860	112,819
Program marketing	14,494			14,494	15,307
World Scout Bureau fees	1,448			1,448	1,430
Insurance programs—losses and costs (Notes 7, 13, and 14)	48,592			48,592	46,733
Premiums	(11,298)			(11,298)	(10,104)
	37,294			37,294	36,629
Total program services	186,889			186,889	213,093
Supporting services:					
Management and general	31,526			31,526	25,252
Fundraising	6,146			6,146	6,787
Total supporting services	37,672			37,672	32,039
Total expenses	224,561	0	0	224,561	245,132
Change in net assets—controlling interest	33,364	(16,666)	2,787	19,485	37,755
Change in net assets—noncontrolling interest (Commingled Endowment LP)	26,836	0	0	26,836	25,216
Change in net assets	60,200	(16,666)	2,787	46,321	62,971
Net assets, beginning of year	703,114	144,305	82,948	930,367	867,396
Net assets, end of year	$ 763,314	$ 127,639	$ 85,735	$ 976,688	$ 930,367

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2014 (with summarized totals for 2013) (In thousands) Boy Scouts of America

	PROGRAM SERVICES							
	Field Operations		Human Resources and Training		Program Development and Delivery		Program Marketing	
	2014	2013	2014	2013	2014	2013	2014	2013
Salaries	$ 15,113	$ 14,038	$ 6,502	$ 4,671	$ 17,473	$ 16,010	$ 4,269	$ 5,970
Benefits	4,690	4,548	2,123	1,272	4,757	4,520	1,217	1,826
Travel	2,596	2,241	313	262	1,023	759	431	531
Office expense and occupancy	6,286	3,600	437	314	10,332	4,962	2,113	1,839
Depreciation and amortization	1,396	742	196	152	2,986	2,835	290	257
Insurance losses and costs								
Premiums								
Net insurance programs								
Jamboree (world/national)					0	51,382		
All other expenses	12,226	12,007	3,086	3,259	41,583	31,787	6,570	5,497
Allocated expenses[1]	(11)	(14)	(160)	(183)	706	564	(396)	(613)
Total expenses	$ 42,296	$ 37,162	$ 12,497	$ 9,746	$ 78,860	$112,819	$ 14,494	$ 15,307

	PROGRAM SERVICES					
	World Scout Bureau Fees		Insurance Programs		**Total Program Services**	
	2014	2013	2014	2013	2014	2013
Salaries					$ 43,357	$ 40,689
Benefits					12,787	12,166
Travel					4,363	3,793
Office expense and occupancy					19,168	10,715
Depreciation and amortization					4,868	3,986
Insurance losses and costs			$ 48,592	$ 46,733	48,592	46,733
Premiums			(11,298)	(10,104)	(11,298)	(10,104)
Net insurance programs			37,294	36,629	37,294	36,629
Jamboree (world/national)					0	51,382
All other expenses	$ 1,448	$ 1,430			64,913	53,979
Allocated expenses[1]					139	(246)
Total expenses	$ 1,448	$ 1,430	$ 37,294	$ 36,629	$186,889	$213,093

	SUPPORTING SERVICES							
	Management and General		Fundraising		**Total Supporting Services**		**Total Expenses**	
	2014	2013	2014	2013	2014	2013	2014	2013
Salaries	$ 13,294	$13,525	$ 2,063	$ 2,255	$ 15,357	$ 15,780	$ 58,714	$ 56,469
Benefits	3,409	3,581	764	669	4,173	4,250	16,960	16,416
Travel	990	1,064	498	360	1,488	1,424	5,851	5,217
Office expense and occupancy	2,380	4,156	989	580	3,369	4,736	22,537	15,451
Depreciation and amortization	10,600	5,510	157	123	10,757	5,633	15,625	9,619
Insurance losses and costs							48,592	46,733
Premiums							(11,298)	(10,104)
Net insurance programs							37,294	36,629
Jamboree (world/national)							0	51,382
All other expenses	4,524	6,970	1,675	2,800	6,199	9,770	71,112	63,749
Allocated expenses[1]	(3,671)	(9,554)	(0)	(0)	(3,671)	(9,554)	(3,532)	(9,800)
Total expenses	$ 31,526	$ 25,252	$ 6,146	$ 6,787	$ 37,672	$ 32,039	$224,561	$245,132

[1] Certain expenses have been allocated to Supply operations, Magazine publications, and Program services.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2014 (with summarized totals for 2013) (In thousands) Boy Scouts of America

	2014	2013
Cash Flows from Operations:		
Change in net assets	$ 46,321	$ 62,971
Adjustments to reconcile change in net assets		
to net cash and cash equivalents provided by operations:		
Depreciation and amortization	16,986	10,972
Net realized and unrealized gains on investments	(34,010)	(76,718)
Interest and dividends reinvested	(732)	(858)
Contributions to the permanently restricted endowment	(504)	(127)
Net losses on disposal of land, buildings, and equipment	659	608
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,351)	9,070
(Increase) decrease in pledges receivable	(6,902)	12,440
Decrease (increase) in other receivables	102	(158)
Decrease in inventories	5,464	7,493
(Increase) decrease in prepaid charges and other assets	(2,961)	7,733
Increase (decrease) in account payable/accrued liabilities/gift annuities	1,676	(13,889)
Increase (decrease) in unearned fees and subscriptions	6,744	(29,161)
(Decrease) increase in insurance reserves	(14,435)	19,538
Net cash and cash equivalents provided by operations	17,057	9,914
Cash Flows from Investing:		
Additions to land, buildings, and equipment	(16,133)	(95,304)
Contributions restricted for capital expenditures and debt service	(31,587)	(26,741)
Net sales (purchases) of investments	45,176	(15,176)
Decrease (increase) in securities lending payable	(19,733)	19,849
Net cash and cash equivalents used in investing activities	(22,277)	(117,372)
Cash Flows from Financing:		
Net (payments) borrowings on line of credit financing	(6,000)	20,000
Repayment of debt	(10,196)	(9,262)
Contributions to the permanently restricted endowment	504	127
Contributions restricted for capital expenditures	31,587	26,741
Net cash and cash equivalents provided by financing activities	15,895	37,606
Increase (decrease) in cash and cash equivalents	10,675	(69,852)
Cash and cash equivalents, beginning of year	31,778	101,630
Cash and cash equivalents, end of year	$ 42,453	$ 31,778
Supplemental Cash Flow Information:		
Interest paid (net of $4,282 capitalized in 2013)	$ 8,451	$ 4,369

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements *($ stated in thousands)*

Note 1. Summary of Significant Accounting Policies

On June 15, 1916, the Boy Scouts of America was officially chartered by Congress with the stated purpose to promote "the ability of boys to do things for themselves and others, to train them in Scoutcraft, and to teach them patriotism, courage, self-reliance, and kindred virtues. …" Toward this purpose, major activities of the National Council include merchandise sales, magazine publications, and the coordination of national events. The National Council also provides local councils with program materials and support in the areas of membership growth, fundraising, communications, administration, insurance, employee benefits, investment management, and human resources.

Consolidation. The consolidated financial statements combine the accounts and results of operations and activities of the National Council of the Boy Scouts of America and its affiliates: Learning for Life; the Learning for Life Foundation; Boy Scouts of America Asset Management, LLC; Boy Scouts of America Commingled Endowment Fund, LP; the Boy Scouts of America National Foundation; and Arrow WV, Inc. Arrow WV, Inc. was formed in 2009 to develop the future home of the national Scout jamboree and a new high-adventure base, the Summit. The National Council is the general partner of the Boy Scouts of America Commingled Endowment Fund, LP, whose limited partners consist primarily of local councils. The limited partner interest of the local councils in the Commingled Endowment Fund, LP is presented in the consolidated financial statements as a noncontrolling interest. Other results of operations and activities of local councils are not included. All significant intercompany transactions have been eliminated.

Net Assets. Restricted net assets comprise those amounts restricted by donors, grantors, or applicable state law for endowment or other specific purposes. Temporarily restricted net assets comprise those amounts restricted by donors or grantors for use during a specified time period or for a particular purpose. The expiration of a temporary restriction is evidenced by a transfer of net assets to the unrestricted classification.

Unrestricted net assets include "general operations" and "board-designated" funds. General operations comprise the ongoing, day-to-day activities of the National Council, including, but not limited to, merchandise sales, magazine publications, high-adventure base operations, program development, field support, and program marketing. Board-designated net assets are designated by the Executive Board of the National Council or an authorized committee of the Executive Board of the National Council. These assets act as endowment; help defray future health costs for National Council and local council employees and their retirees; are invested in land, buildings, and equipment; support the general liability insurance program (Note 7); or fund specific program efforts.

Statement of Cash Flows. For purposes of reporting cash flows, cash includes demand deposits with banks or financial institutions, on-hand currency, and other kinds of accounts that have the general characteristics of demand deposits. Cash equivalents include short-term investments with original maturities of three months or less but do not include short-term investment funds of third-party investment managers.

Estimated Fair Values of Financial Instruments. Financial instruments include cash, investments, accounts and pledges receivable, accounts payable, and debt. Cash, investments, accounts receivable, accounts payable, and debt are deemed to be stated at their fair values.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received.

Inventories. Inventories of merchandise, printing stock, and supplies are carried at the lower of average cost or market. Periodically, but no less often than once each year, inventory is evaluated for obsolescence. If inventory quantities on hand exceed reasonably anticipated future demands, inventory is written down to its net realizable value. The difference between current carrying cost and net realizable value is a period cost. Damaged inventory items are expensed immediately.

Land, Buildings, and Equipment. These assets are stated at cost or, if acquired by gift, at the estimated fair market value at the date of gift. Depreciation and amortization are provided over the estimated useful lives of the related assets using the straight-line method. Estimated useful lives for financial reporting purposes are as follows: buildings and improvements, 10 to 40 years; computer software and hardware, 3 to 10 years; and furniture, fixtures, and other equipment, 3 to 10 years. Land improvements are depreciated over 20 years. Leasehold improvements are amortized over the lesser of the lease term or the life of the asset. Construction in progress is not depreciated until placed into operations.

Revenue. Registration and licensing fees are recorded as income in the applicable membership, participation, or licensing period. High-adventure and jamboree fees are recorded as income in the applicable period of attendance. National service fees are paid by the local councils for administrative services provided and are recognized in the period earned. Revenues from merchandise sales are recognized at the point of sale and are reported net of returns and allowances. Subscription and advertising revenues are reflected as earned income when publications are issued. Investment gain (loss) includes interest and dividends earned during the period as well as realized and unrealized gains and losses on investments, net of investment expenses.

Pledges (Note 4) and contributions are recognized as revenues in the year in which an unconditional promise to give is received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Restricted pledges and contributions that are to be utilized in the same period as donated are initially recorded as restricted revenues. Bequests are recorded when the amount and timing of receipt of funds are known. Contributions of land, buildings, and equipment are generally recorded as board-designated net assets as no time restriction is assumed for their use. Insurance premium revenue is recognized pro rata over the terms of the related policies.

Concentration of Market and Credit Risk. Market risk represents the potential loss the National Council faces due to a decrease in the value of its investments and assets held at fair value. Credit risk represents the potential loss the National Council faces due to possible nonperformance by obligors and counterparties of the terms of their contracts. Financial instruments that potentially subject the National Council to concentrations of credit risk consist principally of cash equivalents, the investment portfolio (Note 2), and accounts receivable and pledges receivable. Credit risk on pledges receivable is managed by discounting the pledges based on a rate that reflects the risk of that pledge not being collectable.

In order to limit credit risk with respect to cash equivalents and the investment portfolio, the National Council invests in obligations of the United States government, mutual funds, and other marketable securities. These investments are held by diverse, high-quality financial institutions. The National Council grants unsecured credit to local councils and others for merchandise sales and insurance coverage within established guidelines for creditworthiness. These transactions make up the majority of accounts receivable.

Donated Services. A substantial number of volunteers have donated significant amounts of their time to the operations of the National Council, and numerous media organizations have provided public service advertising. Volunteer services that create or enhance nonfinancial assets (e.g., camps, buildings) or require specialized skills, and are performed by people possessing those skills, are recorded as contributions and as expenses or additions to land, buildings, and equipment. Due to practical reasons, not all donated services are recorded. Where practical and of significant materiality, the National Council records donated services at fair value of the services received as contribution revenue on the Statement of Revenues, Expenses, and Other Changes in Net Assets.

Collections. The National Scouting Museum in Irving, Texas, possesses artifacts, fine art, and multimedia archives last appraised in March 2012 at approximately $60,000. The museum also houses collections of Scouting memorabilia, objects, and archival documents, with estimated value of approximately $1,500. In conformity with accounting policy generally followed by museums, these collections are not recognized as assets in the consolidated balance sheet; however, costs associated with insuring and maintaining these collections have been expensed. During 2014, no major additions or disposals of collection items occurred.

Program Services Expenses comprise:

- **Field Operations.** Support for local councils, including but not limited to, administration of standards of performance, inspection of council campsites, assistance with long-range planning, conduct of regional training and conferences for professionals and volunteers, administration of an extensive program of local council financial support, and administration and funding of the defense of our private membership rights.

- **Human Resources and Training.** Administration of all aspects of human resources policies, including recruiting, placement, and training of professional employees; promoting diversity; managing compensation and benefits programs; and monitoring employee relations.

- **Program Development and Delivery.** Development of the basic program; providing camping and outdoor literature, materials, and techniques, as well as engineering service, to local councils; managing the volunteer training programs of the Boy Scouts of America and handling all national program support in the areas of health and safety, activities, program evaluation, and low-income program; developing uniforms and insignia and other program elements; operating the National Scouting Museum; operating the high-adventure bases and the national jamboree.

- **Program Marketing.** Administration of public relations, including providing news releases, features for print and broadcast media, and internal news in the form of newsletters, fact sheets, and the annual report for the nationwide Scouting family. In addition, protection and promotion of the Scouting brand.

- **World Scout Bureau Fees.** Payment to the World Organization of the Scout Movement in support of international enrichment programs based on an established fee for each registered, uniformed youth and adult member.

- **Insurance Programs.** Support of the group medical, life, dental, and general liability insurance programs for local councils and the National Council.

The Use of Estimates in Preparing Financial Statements. The preparation of financial statements in conformity with United States of America generally accepted accounting principles (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status. The National Council and its other affiliates, Learning for Life, the Learning for Life Foundation, the Boy Scouts of America National Foundation, Boy Scouts of America Asset Management, LLC, and Arrow WV, Inc., are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and have been classified as organizations that are not private foundations. Each of the partners of the Boy Scouts of America Commingled Endowment Fund, LP, is responsible for reporting its allocable share of the partnership's income or loss on its individual tax returns.

Income from certain activities (primarily magazine advertising income, sponsorships, and net revenue from sales of livestock) not directly related to the National Council's tax-exempt purpose is subject to taxation as unrelated business income. As of December 31, 2014, the National Council has a cumulative net operating loss of approximately $33,649. Management has determined that it is more likely than not that the net operating loss will not be realized and has therefore provided a full valuation allowance against any deferred tax asset as of December 31, 2014.

Uncertainty in Income Taxes. The National Council recognizes interest and penalties related to underpayment of income taxes as income tax expense. As of December 31, 2014, the National Council had not recorded any amounts related to unrecognized income tax benefits or accrued interest and penalties. The National Council does not anticipate any significant changes to unrecognized income tax benefits over the next year.

Nature of Comparative Totals for 2013. The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Alone, such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the National Council's financial statements for the year ended December 31, 2013, from which the summarized information was derived. PricewaterhouseCoopers LLP issued an unmodified opinion on those financial statements.

Subsequent Events. The National Council has performed a review of subsequent events through the date of the audit opinion, which is the date the financial statements were available to be issued, and concluded that other than those items disclosed in the consolidated financial statements, there were no events or transactions during this subsequent event reporting period that required recognition or disclosure.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 2. Investments

Investment securities may be purchased or sold on a when-issued or delayed delivery basis. These transactions involve a commitment to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, liquid assets will be set aside or earmarked internally, until the settlement date, in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the rights and risks of ownership are assumed, including the risk of price and yield fluctuations, and such fluctuations are taken into account when determining net asset values. Delayed delivery transactions may be disposed of or renegotiated after they are entered into, and when-issued securities may be sold before they are delivered, which may result in an investment gain or loss.

Investment securities of the National Council whose values are expressed in foreign currencies are translated to U.S. dollars at the bid price of such currency against U.S. dollars last quoted by an approved pricing vendor or major bank on the valuation date. Dividend and interest income and certain expenses denominated in foreign currencies are translated to U.S. dollars based on the exchange rates in effect on the date the income is earned and the expense is incurred. Exchange gains and losses are realized upon ultimate receipt or disbursement.

The National Council participates in a securities lending program with its investment custodian, State Street. This program allows State Street to loan securities, which are assets of the National Council, to approved brokers. State Street requires the borrowers, pursuant to a security loan agreement, to deliver collateral at least equal to 102 percent of the market value of U.S. securities loaned, and 105 percent of the market value of non-U.S. securities loaned, to secure each loan. In the event of a default by the borrower, State Street shall indemnify the National Council by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities are not able to be purchased, State Street shall credit the National Council for the market value of the unreturned securities. In each case, State Street would apply the proceeds from the collateral for such loan to make the National Council whole.

As of December 31, 2014, the market value of securities on loan to approved brokers was $39,125. Collateral received for securities on loan was invested in the State Street Navigator Securities Lending Prime Portfolio. Total collateral of $40,097, received for securities on loan at December 31, 2014, is held by State Street on behalf of the National Council. Income associated with the securities lending program amounted to $111 for 2014, and is included in net investment income. The following table summarizes the securities loaned and the related collateral as of December 31, 2014:

Securities Loaned and the Related Collateral

Securities	**Fair Value**	**Fair Value of Collateral**
Government obligations	$ 12,114	$ 12,362
Corporate obligations	10,909	11,138
Common stocks—domestic	11,916	12,192
Common stocks—foreign	4,186	4,405
Total investments purchased with cash collateral	$ 39,125	$ 40,097

Investments Purchased with Collateral

State Street Navigator Securities Lending Prime Portfolio	$ 40,097

The National Council has adopted the fair value accounting guidance issued by the Financial Accounting Standards Board (FASB). Fair value accounting guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available.

Observable inputs are used by market participants in pricing an asset or liability based on market data obtained from sources independent of the National Council. Unobservable inputs reflect the National Council's judgment regarding assumptions market participants would use in pricing an asset or liability based on the best information available in the circumstances. In instances where the determination of the fair value measurement is based on inputs from more than one level of the fair value hierarchy, the entire fair value measurement is classified within the hierarchy based on the lowest level of input that is significant to the fair value measurement in its entirety.

The hierarchy is measured in three levels based on the reliability of inputs:

- Level l–Valuations based on quoted prices in active markets for identical assets as of the reporting date.

- Level 2–Valuations based on pricing inputs that are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from independent sources.

- Level 3–Valuations are derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets or liabilities. Level 3 investments comprise primarily real estate investment funds, bank loans, and private equity at December 31, 2014, which are discussed in greater detail below.

Regarding Level 2, the valuation of these securities is handled annually by external pricing services administered by the organization's safekeeping and custodial agent that monitor and assign values based on secondary markets. Where this is insufficient (e.g., for bank loans and private placements), the agent utilizes its proprietary pricing matrix for valuation, taking into consideration numerous input factors such as risk and liquidity.

Regarding Level 3, real estate investment funds are carried at estimated fair value based on the reported net asset value provided by the general partner of the fund. The general partner of the fund marks the underlying real estate assets to fair value using the following procedures and parameters:

- All real estate investments are valued on at least an annual basis with the objective of providing a quarterly valuation schedule that is balanced with respect to property type, location, and percentage of portfolio carrying value.

- Newly acquired investments are carried at cost until their first scheduled valuation approximately 12 months after acquisition (the initial valuation) unless within the first 12 months market factors indicate cost may not be a reliable indicator of fair value.

- Subsequent to and including the initial valuation, the fair value of an investment shall be determined by an annual valuation prepared in accordance with standard industry practice by an independent third-party appraiser that is licensed and has an MAI designation (Member of the Appraisal Institute).

- All investments not scheduled for valuation in a particular quarter will be reviewed to determine if an interim value adjustment is warranted based on property or market-level changes. If warranted, an updated valuation will be prepared by an independent third-party appraiser that is licensed and has an MAI designation.

- Any capitalized costs relating to investments incurred during periods between independent valuations will be added to the most recent independent valuation to determine the current carrying value of the investment.

Notes to Consolidated Financial Statements ($ stated in thousands)

Private equity valuations are reported by underlying general partners and are the best estimates of fair value at measurement date. Where information is provided on a US GAAP basis, the valuations are confirmed by reviewing the audited financials and individual partner statements provided by the general partner and is appropriately adjusted for any accrual basis performance fee. Where the audited financial statements are prepared on a “fair value” basis other than US GAAP, the financial statements are reviewed to determine if the valuation methodology is consistent with US GAAP, or if an adjustment is necessary.

Bank loans are priced through the Markit Loan Pricing service. It offers liquidity information for the leveraged loan market, as well as access to liquidity metrics, such as the number of dealers quoting with the size and the average size quoted. A daily price is received on every bank loan in the portfolio.

The appraisal process, while based on independent third-party valuations as well as verified property and market-level information, may result in a valuation estimate that differs materially from the sales price actually realized due to the particular motivations of buyers and sellers, as well as the subjectivity inherent in the process. Although the estimated fair values represent subjective estimates, the general partner of the fund believes these estimated values are reasonable approximations of market prices. Management has obtained an understanding of the valuation methodology utilized to value the underlying assets and believes the reported net asset value of the fund is an accurate fair value of the investment.

Bank loans are valued using a pricing model. When a pricing model is used to value investments, inputs to the model are adjusted when changes to inputs and assumptions are corroborated by evidence such as transactions in similar instruments, completed or pending third-party transactions in the underlying investment or comparable entities, subsequent rounds of financing, recapitalizations and other transactions, offerings in the equity or debt capital markets, and changes in financial ratios or cash flows.

At December 31, 2014, investments comprised the following:

	Level 1	Level 2	Level 3	Total
Short-Term Investment Funds and Treasury Bills	$ 60	$ 10,978	$ 0	$ 11,038
Investment of Cash Collateral in Investment Trust	0	40,097	0	40,097
Debt securities				
Government (includes $12,114 of securities on loan)	0	86,905	0	86,905
Corporate (includes $10,909 of securities on loan)	0	84,712	0	84,712
Common/collective trusts*	0	76,535	0	76,535
Other	0	48,499	0	48,499
Total debt securities	0	296,651	0	296,651
Equity securities				
Common stocks—domestic (includes $11,915 of securities on loan)	33,449	0	0	33,449
Common stocks—foreign (includes $4,186 of securities on loan)	64,517	0	0	64,517
Common/collective trusts*	0	324,097	0	324,097
Real estate partnerships	0	0	42,770	42,770
Private equity partnerships	0	0	30,348	30,348
Total equity securities	97,966	324,097	73,118	495,181
Total investments	$ 98,026	$671,823	$ 73,118	$842,967

* Common/collective trust investments comprise the following:

- domestic, investment, and non-investment grade securities: U.S. Treasury, agency, corporate, mortgage-backed, and asset-backed;
- domestic and foreign equity securities.

Notes to Consolidated Financial Statements ($ stated in thousands)

During 2014, Level 3 investments changed as follows:

	Other Debt Securities	Real Estate Partnerships	Private Equity	Total
Balance December 31, 2013	$ 25,283	$ 43,108	$ 22,047	$ 90,438
Purchases	160	1,343	8,017	9,520
Sales	(24,927)	(5,000)	(1,537)	(31,464)
Realized gains	(247)	977	5	735
Unrealized (losses) gains	(280)	2,342	1,816	3,878
Amortized discount	11	0	0	11
Balance December 31, 2014	$ 0	$ 42,770	$ 30,348	$ 73,118

No transfers between any of the levels occurred in 2014.

For all three levels in 2014, net investment income on the Statement of Revenues, Expenses, and Other Changes in Net Assets includes $9,836 of interest and dividends, $22,992 of net realized gains, and $11,096 of unrealized gains in the fair value of investments less $2,239 in investment manager expenses. Included within the change in net assets attributed to noncontrolling interests is net investment income pertaining to the limited partners within the Commingled Endowment, LP, which for 2014 includes $1,900 of interest and dividends, $2,061 of net realized gains, and $3,623 of unrealized gains in the fair value of investments less $422 in investment manager expenses.

Risk Factors

Currency/foreign exchange risk. The National Council may hold investments denominated in currencies other than the U.S. dollar, the National Council's functional currency. In such instances, there is exposure to currency risk, as the value of the investments denominated in other currencies will fluctuate due to changes in exchange rates. To the extent that these investments create risk in respect of movements in foreign exchange rates, the National Council may hedge this risk, in a cost-effective manner, to the extent possible. As of December 31, 2014, there are no foreign currency hedges.

Interest rate/credit risk. The National Council's investment portfolios are subject to interest rate and credit risk. The value of debt securities may decline as interest rates increase. The investment portfolios could lose money if the issuer of a fixed-income security is unable to pay interest or repay principal when it is due.

Market price risk. The prices of securities held by the National Council may decline in response to certain events, including those directly involving the companies whose securities it owns. Those events may include, but are not necessarily limited to: conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; and currency, interest rate, and commodity price fluctuations.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 3. Endowment

Endowment net asset composition and changes in composition by type of fund as of and for the year ended December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance December 31, 2013	$ 220,810	$ 6,812	$ 82,948	$ 310,570
Investment return:				
Interest and dividends	4,736	59	1,250	6,045
Realized and unrealized investment gains	10,889	244	4,987	16,120
Investment manager fees	(1,126)	(35)	(359)	(1,520)
Net investment return	14,499	268	5,878	20,645
Contributions	320	4310	504	5,134
Spending allocation	(13,154)	2,399	(3,595)	(14,350)
Net assets released from restriction	0	(7,214)	0	(7,214)
Endowment funding for GLIP	(25,200)	0	0	(25,200)
Other (net)	2,449	(130)	0	2,319
Balance December 31, 2014	$ 199,724	$ 6,445	$ 85,735	$ 291,904

The National Council's endowment consists of approximately 78 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Executive Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Executive Board to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions or in accordance with the Executive Board's interpretation of relevant law.

Interpretation of relevant law. The National Council classifies net assets associated with its donor-restricted endowment as either permanently or temporarily restricted. Investment returns in excess of spending authorized by the "spending policy" (the spending policy is defined below) are classified as permanently restricted net assets, absent explicit donor stipulations to the contrary. The Executive Board of the National Council has determined that this classification is consistent with the intent of the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). Among other things, TUPMIFA creates a rebuttable presumption of imprudence if an organization authorizes a current spending rate in excess of 7 percent absent explicit donor stipulations. Amounts made available from donor-restricted endowment funds in accordance with the spending policy are classified as temporarily restricted net assets until they are expended.

In accordance with TUPMIFA, the National Council considers the following factors in establishing its spending rate for donor-restricted endowment funds:

1) The duration and preservation of the fund;
2) The purposes of the National Council and its donor-restricted endowment fund;
3) General economic conditions;
4) The possible effects of inflation and deflation;
5) The expected total return from income and the appreciation of investments;
6) Other resources; and
7) The National Council's investment policies.

Notes to Consolidated Financial Statements ($ stated in thousands)

Return objectives and risk parameters. The Executive Board of the National Council has adopted a Strategic Investment Policy and a Spending Policy 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 organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under the Strategic Investment Policy, the endowment assets are invested in a manner that is intended to produce the highest total long-term return, consistent with prudent investment practices, sufficient to cover the maximum annual spending rate plus an allowance for inflation. The National Council expects its endowment funds, over time, to provide an average annual, nominal rate of return of approximately 7.75 percent. After inflation, expected to average 2.75 percent annually, the average annual real rate of return is expected to be 5 percent. Actual returns in any given year may vary significantly from this expectation.

Strategies employed for achieving objectives. To satisfy its long-term rate-of-return objectives, the National 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 National 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.

Spending policy and how the investment objectives relate to spending policy. The National Council has a policy of appropriating for distribution each year up to 5 percent of its endowment fund’s average fair value over the prior 12 quarters through June 30 of the year preceding the fiscal year in which the distribution is planned. In establishing this policy, the organization considered the long-term expected return on its endowment.

Note 4. Pledges Receivable

Included in pledges receivable are the following:

Unconditional promises to give before discount	$ 94,131
Less discount	(25,256)
Net unconditional promises to give (before allowance)	68,875
Less allowance	(44)
Net unconditional promises to give (after allowance)	$ 68,831
Amounts due in:	
Less than one year	$ 10,539
One to five years	31,896
More than five years	51,696
Total undiscounted pledges	$ 94,131

Pledges are evaluated for collectability and assigned a discount rate related to the risk of uncollectable amounts. The discount rates for valuing 2014 pledges ranged from 0.6 to 4.4 percent.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 5. Land, Buildings, and Equipment

At December 31, 2014, land, buildings, and equipment comprised the following:

National office, less accumulated depreciation of $16,893	$ 11,269
High-adventure bases, less accumulated depreciation of $24,796	43,104
National Distribution Center, less accumulated depreciation of $5,978	4,305
Summit Bechtel Family National Scout Reserve, less accumulated depreciation of $12,162	362,591
Furniture, equipment, and software, less accumulated depreciation and amortization of $72,276	40,277
Total land, buildings, and equipment, less accumulated depreciation and amortization of $132,105	$ 461,546

Depreciation and amortization expense was $16,986 in 2014.

High-adventure bases include Philmont Scout Ranch, Florida Sea Base, and Northern Tier.

The Summit Bechtel Family National Scout Reserve was placed into service in August 2013 and depreciation began at that time. 2014 includes a full year of Summit depreciation.

Gifts-in-kind in 2014 totaled $320. This is a non-cash transaction; however, it has not been reported separately within the supplemental section on the Statement of Cash Flows.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 6. Notes Payable

Notes payable consists of the following at December 31, 2014:

	2014 Principal Payment	Interest Rate	Maturity Date	Outstanding at December 31, 2014
Seller's note of $14,025, payable in 5 equal principal payments (collateral is the deed of trust on the land)	$ 2,805	5.50% fixed	2014	$ 0
Revolving $75,000 line of credit (0.15% to 0.20% fee for unused credit)	6,000	1.25% + LIBOR	2017	17,000
2010 Bond issuance (Series A) of $50,000	1,274	2.38% fixed	2015	46,168
2010 Bond issuance (Series B) of $50,000	1,134	3.22% fixed	2020	46,616
2012 Bond issuance of $175,000	3,969	2.94% fixed	2022	168,130
Seller's note of $1,500, payable in 3 equal principal payments (collateral is deed of trust on the property)	500	6.00% fixed	2014	0
Seller's note of $2,500 payable in 60 equal payments of $45, including interest and principal (collateral is deed of trust on the property)	514	3.00% fixed	2016	574
Total	$ 16,196			$ 278,488

In March 2012, the organization issued debt to finance the development of the Summit. $175,000 in 10-year, tax-exempt bonds was added to the existing 2010 Series A and B bonds, and the 5-year $50,000 line of credit was increased by $25,000 to $75,000. Bond issuance costs were $100. The Series A bond has a balloon payment of $46,168 due in 2015 and the Series B bond has a balloon payment of $40,363 due in 2020.

Regarding the $175,000 bonds payable, interest-only payments at a fixed rate of 2.94 percent are due for the first 12 months based on a 29-year amortization schedule; thereafter, both interest and principal will be paid monthly with a balloon payment of $136,834 due in 2022.

The organization's entire bond proceeds have been used for development of the Summit. All of the bonds are senior obligations of the organization and required collateral of the organization's unrestricted gross revenues and the pledges pertaining to the project. The bond agreements include the standard covenants and events of default, including limitations on incurring additional indebtedness, a requirement to maintain a minimum ratio of certain cash and pledge amounts to debt, and a requirement to maintain a minimum ratio of unrestricted net assets to debt. At December 31, 2014, the National Council was in compliance with these debt covenants. The line of credit collateral and covenants are the same as those for the bonds.

Notes to Consolidated Financial Statements ($ stated in thousands)

Covenants, collateral, and other terms for the $75,000 line of credit are as follows. The non-usage fee is 0.15 percent during quarterly periods with average utilization of $30 million or greater and 0.20 percent during quarterly periods with average utilization of less than $30 million. The interest rate on amounts utilized is LIBOR plus 1.25 percent on funds used for greater than 90 days or prime rate of 3.25 percent for funds used less than 90 days.

Aggregate maturities of notes payable for each of the years subsequent to December 31, 2014, are as follows:

2015	$ 51,956
2016	5,463
2017	22,583
2018	5,753
2019 and thereafter	192,733
Total............................	$ 278,488

Interest incurred, capitalized, expensed, and paid during the year ending December 31, 2014, were:

Interest incurred	$ 8,379		
Interest capitalized	0	Interest paid	$ 8,451
Interest expensed	$ 8,379		

Note 7. General Liability Insurance Program

The National Council has a general liability insurance program that operates primarily for the benefit of local councils. The program is partially self-insured with deductible features as follows: $1,000 per occurrence and a $9,000 aggregate excess limit. The program is funded by payments received from the National Council, local councils, chartered units, and from investment income. Premiums received during 2014 for this program were $10,508, and losses and costs were $12,983. Note on the Statement of Revenues, Expenses, and Other Changes in Net Assets, which includes within the stated insurance losses and costs total, is $35,609 of losses and costs from other insurance programs. Similarly, $790 is included in premiums revenue from other insurance programs.

The insurance reserves of $137,266 stated on the Balance Sheet at December 31, 2014, include $134,076 established by the National Council as a reserve for estimated self-insured losses and loss adjustment expenses of this program, based on an independent actuarial estimate of ultimate losses. The remaining reserves apply primarily to directors' and officers' liability insurance and workers' compensation insurance.

The program contained $145,163 of investments, receivables, and other assets designated to it as of December 31, 2014. Net assets of this insurance program, which were at $11,807 as of December 31, 2014, are reported as board-designated net assets in the accompanying balance sheet.

At December 31, 2014, the National Council had provided standby letters of credit totaling $49,551 for the benefit of insurance companies in conjunction with the assumed deductible portion of the program. The letters of credit are collateralized by assets of $56,774.

Note 8. Credit Arrangements

At December 31, 2014, the National Council had provided a $700 irrevocable letter of credit for the benefit of an insurance company to guarantee payments in conjunction with a self-insured workers' compensation program. In addition, the National Council has an import letter of credit of $7,000 in order to guarantee payments in conjunction with Supply Group international purchases. As of December 31, 2014, the National Council had a total of five import letters of credit outstanding of $4,673. Additional letters of credit are discussed in Note 7.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 9. Commitments and Contingencies

The National Council rents various office equipment and occupies various Scout shops and other office space under non-cancellable operating leases expiring at various dates through 2024. Rental commitments for Scout shop leases are contingent on future sales levels. Real estate leases are renewable at the option of the National Council. Total rental expense for all operating leases for the year ended December 31, 2014, amounted to $11,472. The estimated minimum rental commitments under operating leases that have initial or remaining non-cancellable terms as of December 31, 2014, are as follows (as of December 31 for each year):

2015	$ 6,128
2016	4,236
2017	1,861
2018	661
2019	372
2020 and after	964
Total minimum payments required	$ 14,222

The National Council has been named as a beneficiary of several estates that are in various stages of probate. No income from future anticipated distributions has been recorded because the amounts and timing of future distributions are uncertain.

Certain conditions may exist as of the date the financial statements are issued which may result in a loss to the National Council but will only be resolved when one or more future events occur or fail to occur. The National Council's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the National Council or unasserted claims that may result in such proceedings, the National Council's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be reasonably estimated, then the estimated liability would be accrued in the National Council's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

The National Council maintains insurance for various types of damages, including general liability losses. Depending on the policy terms, a portion of the potential claims, representing deductibles or aggregate excess limits, are self-insured by the National Council. Reserves are maintained for estimated self-insured losses.

The National Council has been named as a defendant in several lawsuits alleging inappropriate conduct by local council employees or Scouting unit volunteers, including allegations of conduct that did not occur within Scouting and allegations of incidents dating back as far as the early 1960s. The National Council is also aware of threatened and expanding litigation of a similar nature. Most of the cases claim specific amounts of compensatory damages and, in a few cases, unspecified amounts of punitive damages.

There continue to be additional lawsuits filed alleging sexual abuse, including claims for punitive damages. The National Council could be required to pay damages beyond those amounts out of its own funds to the extent the claims are not covered by insurance or if the insurance carriers are unable or unwilling to honor the claims. Based upon the nature of and management's understanding of the facts and circumstances that give rise to such actions and claims, management believes the reserves established by the General Liability Insurance Program of the National Council are sufficient to provide for the resolution of these lawsuits and, where not covered by the General Liability Insurance Program or its reserves, it is the opinion of the National Council that the total amount of payments in resolution of those lawsuits will not have a significant impact on the financial position or results of operations of the National Council.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 10. Unrestricted Net Assets

At December 31, 2014, unrestricted net assets with a controlling interest comprised the following:

General operations	$ 12,600
Board-designated:	
General endowment	199,724
Properties	179,675
Retirement Benefits Trust (Note 13)	147,737
Insurance Programs	12,289
Other	76,260
Total board-designated net assets	615,685
Total unrestricted net assets, controlling interest	$ 628,285

The amounts above include $25,400 of net realized gains and unrealized changes in the fair value of investments earned on unrestricted net assets attributed to controlling interests during 2014. Unrestricted net assets attributed to noncontrolling interests represent the local councils' ownership in the Commingled Endowment LP. Total unrestricted net assets have changed as follows:

	Controlling Interest	Noncontrolling Interest	Total Unrestricted
Net assets as of December 31, 2012	$ 562,538	$ 82,977	$ 645,515
Change in net assets	2,383	25,216	57,599
Net assets as of December 31, 2013	594,921	108,193	703,114
Change in net assets	33,364	26,836	60,200
Net assets as of December 31, 2014	$ 628,285	$ 135,029	$ 763,314

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 11. Restricted Net Assets

At December 31, 2014, restricted net assets comprised the following:

Permanently restricted net assets:	
John W. Watzek Jr. (income supports general operations)	$ 10,195
National Scouting Museum (income supports museum operations)	6,611
Waite Phillips Scholarship (income supports Philmont scholarships)	6,243
Cooke Eagle Endowment (income supports Eagle Scout scholarships)	5,295
Genevieve and Waite Phillips (income supports maintenance of Philmont)	4,901
DeWitt-Wallace Foundation (income supports leadership programs)	3,188
Kenneth McIntosh (income supports Scouting around the world)	3,008
Southern Region Trust Fund (income supports Southern Region)	2,655
High adventure (income benefits high-adventure program)	2,578
Scoutmaster Recognition (income supports scholarships for outstanding Scoutmasters)	2,464
Steve Fossett High-Adventure Base Endowment (income supports high-adventure bases)	1,726
Hall Scholarship (income supports Eagle Scout scholarships)	1,691
Sonia S. Maguire (income supports Philmont camperships)	1,643
Mortimer L. Schiff (income supports professional training and development)	1,461
Augustus F. Hook Jr. (income supports professional staff in Indiana)	1,446
Thomas J. Watson (income supports general operations)	1,437
A. Ward (income supports local councils)	1,419
Northeast Region Main Trust (income supports Northeast Region)	1,392
Ward Fund 3 (income supports programs)	1,389
Genevieve Phillips (income maintains Philmont Villa and grounds)	1,387
Summerfield Endowment (income supports general operations)	1,362
Other	22,244
Total permanently restricted net assets	85,735
Temporarily restricted net assets	127,639
Total restricted net assets	$ 213,374

The restricted net asset totals include $6,708 of net realized gains and unrealized changes in the fair value of investments earned on permanently and temporarily restricted net assets during 2014.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 12. Fees

During 2014, fees comprised the following:

Registration and license fees	$ 62,732
National service fees from local councils	8,442
High adventure bases	33,331
The Summit	2,188
Other	6,445
Total fees	$ 113,138

Note 13. Retirement Benefits Trust

The Retirement Benefits Trust (the "Trust"), a grantor trust, is funded at the discretion of the National Council by payments from local councils, the National Council, and by investment income. In 2014, neither the National Council nor the local councils made payments to the Trust. Net investment earnings for the Trust in 2014 equaled $9,038, and at December 31, 2014, the Trust's net assets were $147,737.

In accordance with the Trust agreement, Trust funds may be used as follows: (1) to subsidize the cost of medical insurance benefits for retired employees of local councils and the National Council and their dependents; (2) to supplement the funding of the "qualified" defined benefit retirement plan, should the fair value of its assets fall below 125 percent of its accumulated benefit obligation; (3) to pay costs related to a "non-qualified" defined benefit retirement plan; or (4) for any other purpose deemed by the National Executive Board to be in the best interests of the Boy Scouts of America.

In 2014, $35,000 from the Trust was used to supplement the qualified defined benefit plan.

Note 14. Health, Life, and Other Welfare Insurance Programs

The National Executive Board offers health, life, and other welfare insurance programs that operate for the benefit of employees of local councils and the National Council and their dependents as well as certain retirees (defined in Note 13). These insurance programs provide health, life, dental, vision, accidental death and dismemberment, and long-term disability benefits. The health and dental programs are self-insured, and the other programs are fully insured. Premiums, losses, and costs of the medical, dental, and vision insurance plans are the responsibility of the Welfare Benefits Trust, a VEBA trust whose beneficiaries are the same as those previously described.

During 2014, the National Council's total expense for the employees' insurance coverage of the benefits covered by the Welfare Benefits Trust was $7,856. This is included in the cost of benefits for Supply operations, Magazine publications, and the respective functional areas included in the Consolidated Statement of Functional Expenses.

Note 15. Benefits

The National Council of the Boy Scouts of America offers a "non-qualified" defined benefit retirement plan (the "non-qualified plan") to ensure that all employees receive retirement benefits on a comparable basis, notwithstanding limitations imposed upon qualified retirement plans by the tax laws. The National Council also sponsors a "qualified" elective thrift plan (the "thrift" plan) where one-half of National Council employee contributions are matched by the National Council, subject to certain limits. The National Council's pension expense for the non-qualified retirement plans equals the amount of its contributions paid or accrued, such amounts being determined by the administrator of the plans. The National Council 2014 expense related to the non-qualified retirement plan (Note 13) was $2,018, and the National Council expense in 2014 related to the thrift plan was $1,393.

Note 16. Defined Benefit Retirement Plan

The National Council of the Boy Scouts of America participates in a January 31 year-end qualified multiemployer defined benefit retirement plan covering National Council and local council employees with at least one year of service. The plan's legal name is the Boy Scouts of America Retirement Plan for Employees. The plan's three-digit plan number and its Employee Identification Number (EIN) are 001 EIN 22-1576300. The plan is not subject to a collective-bargaining agreement, and coverage under this plan is at the option of the employee. In the event the plan is terminated, no assets will inure to the benefit of the National Council prior to the satisfaction of all benefit obligations to the participants.

The risks of participating in the multiemployer plan are different from a single employer plan in that the assets contributed to a multiemployer plan may be used to provide benefits to employees of other participating employers (i.e., the local councils). And, if a participating employer stops contributing to the plan, the unfunded obligations of the plan will be borne by the remaining participating employers.

The overall number of employees contributing to the plan decreased in correlation with an overall decrease in employees from 5,477 in 2013 to 5,359 in 2014 with each employee contributing 2 percent of his or her salary, subject to certain IRS limitations. The National Council and local councils each contributed an amount equal to 7 percent of an employee's salary in 2014 and 2013. The National Council's employer contribution for 2014 and 2013 was $4,235 and $4,330, respectively. These amounts represent in excess of 5 percent of total contributions to the plan in each year.

Total employer contributions to the plan, including local councils, were $19,143 for 2014 and $19,223 for 2013. Including employees' contributions, total contributions for 2014 and 2013, respectively, were $24,613 and $24,715. For the years ended December 31, 2014 and 2013, the plan had net assets of $1,135,870 and $1,075,878, respectively.

The National Council and local councils contribute such amounts as necessary, on an actuarial basis, to provide the plan with assets sufficient to meet the benefits paid to the plan's members and to meet the funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Pension Protection Act of 2006 (PPA). Under a provision in the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act passed in 2010, the Boy Scouts of America retirement plan was given a temporary exemption until 2017 of funding requirements and benefit restrictions enacted by the PPA. However, in 2014 a Congressional amendment was added to ERISA which provided the Boy Scouts of America retirement plan with a permanent exemption from PPA. The actuarial present value of accumulated plan benefits, based on an annual interest rate of 7 percent and the IRS-prescribed mortality for 2014 funding, for the years ending December 31, 2014 and 2013, was $1,084,359 and $1,031,706, respectively. As of December 31, 2014, the pension plan is believed to be at least 80 percent funded with contributions exceeding the minimum funding requirements of ERISA.

2014 National Officers, Executive Board, and Advisory Council

NATIONAL OFFICERS

Robert M. Gates
Sedro-Woolley, Washington
President

Tico A. Perez
Orlando, Florida
National Commissioner

James S. Turley
St. Louis, Missouri
Treasurer/Vice President--Finance

R. Thomas Buffenbarger
Upper Marlboro, Maryland
Assistant Treasurer/Vice President--Finance

Roger Schrimp
Modesto, California
International Commissioner

Joseph P. Landy
New York, New York
Vice President—Operations

Matthew K. Rose
Fort Worth, Texas
Vice President—Development

Randall L. Stephenson
Dallas, Texas
Vice President—Regional Presidents

Jack D. Furst
Dallas, Texas
Vice President—General Services

Lyle R. Knight
Billings, Montana
Vice President—Human Resources

David Steward
St. Louis, Missouri
Vice President—Information Delivery

David Weekley
Houston, Texas
Vice President—Marketing

Joe Crafton
Dallas, Texas
Vice President—Supply

Aubrey B. Harwell Jr.
Nashville, Tennessee
Vice President

Drayton McLane Jr.
Temple, Texas
Vice President

Nathan O. Rosenberg
Laguna Beach, California
Vice President

Wayne Brock
Irving, Texas
Chief Scout Executive

HONORARY OFFICERS

Barack H. Obama
Washington, D.C.
Honorary President

Norman R. Augustine
Bethesda, Maryland
Honorary Vice President

George H. W. Bush
Houston, Texas
Honorary Vice President

George W. Bush
Dallas, Texas
Honorary Vice President

Jimmy Carter
Atlanta, Georgia
Honorary Vice President

John L. Clendenin
Atlanta, Georgia
Honorary Vice President

William J. Clinton
New York, New York
Honorary Vice President

John W. Creighton Jr.
Seattle, Washington
Honorary Vice President

William F. Cronk
Lafayette, California
Honorary Vice President

John C. Cushman III
Los Angeles, California
Honorary Vice President

John Gottschalk
Omaha, Nebraska
Honorary Vice President

Harold S. Hook
Houston, Texas
Honorary Vice President

Thomas C. MacAvoy, Ph.D.
Charlottesville, Virginia
Honorary Vice President

Wayne M. Perry
Bellevue, Washington
Honorary Vice President

Charles M. Pigott
Bellevue, Washington
Honorary Vice President

Nancy Reagan
Los Angeles, California
Honorary Vice President

Roy S. Roberts
Detroit, Michigan
Honorary Vice President

Rex W. Tillerson
Irving, Texas
Honorary Vice President

Edward E. Whitacre Jr.
San Antonio, Texas
Honorary Vice President

NATIONAL EXECUTIVE BOARD

Glenn A. Adams
Fort Worth, Texas

David L. Beck
Salt Lake City, Utah

Donald D. Belcher
Pauma Valley, California

*David Biegler
Dallas, Texas

David L. Briscoe, Ph.D.
Little Rock, Arkansas

Wayne Brock
Irving, Texas

R. Thomas Buffenbarger
Upper Marlboro, Maryland

B. Howard Bulloch
Las Vegas, Nevada

Richard L. Burdick
New Braunfels, Texas

*Harriss A. Butler III
Parkesburg, Pennsylvania

Ray Capp
Nashville, Tennessee

Dennis H. Chookaszian
Wilmette, Illinois

Keith A. Clark
Harrisburg, Pennsylvania

D. Kent Clayburn
San Francisco, California

Ronald O. Coleman
Atlanta, Georgia

Philip M. Condit
Frisco, Texas

Joe Crafton
Dallas, Texas

William F. Cronk
Lafayette, California

John C. Cushman III
Los Angeles, California

R. Michael Daniel
Pittsburgh, Pennsylvania

Ralph de la Vega
Atlanta, Georgia

Douglas H. Dittrick
Ridgewood, New Jersey

John R. Donnell Jr.
Atlanta, Georgia

L. B. Eckelkamp Jr.
Washington, Missouri

Craig Fenneman
Martinsville, Indiana

Jack D. Furst
Dallas, Texas

Robert Gates
Sedro-Woolley, Washington

T. Michael Goodrich
Birmingham, Alabama

John Gottschalk
Omaha, Nebraska

Bradley E. Haddock
Wichita, Kansas

Michael D. Harris, Esq.
Palm Springs, California

J. Brett Harvey
Pittsburgh, Pennsylvania

Aubrey B. Harwell Jr.
Nashville, Tennessee

Raymond E. Johns Jr.
Kapolei, Hawaii

Lyle R. Knight
Billings, Montana

Robert J. LaFortune
Tulsa, Oklahoma

Joseph P. Landy
New York, New York

Francis R. McAllister
Salt Lake City, Utah

Drayton McLane Jr.
Temple, Texas

Judy R. McReynolds
Fort Smith, Arkansas

Ronald K. Migita
Aiea, Hawaii

Douglas B. Mitchell
Fayetteville, Texas

Thomas S. Monson
Salt Lake City, Utah

José F. Niño
Washington, D.C.

Arthur F. Oppenheimer
Boise, Idaho

Bruce D. Parker
Coral Gables, Florida

Doyle Parrish
Raleigh, North Carolina

Aubrey B. Patterson
Tupelo, Mississippi

Tico A. Perez
Orlando, Florida

Wayne M. Perry
Bellevue, Washington

Frank R. Ramirez
Fort Collins, Colorado

Hugh Redd
Washington, D.C.

Robert H. Reynolds
Indianapolis, Indiana

Roy S. Roberts
Scottsdale, Arizona

James D. Rogers
Billings, Montana

Matthew K. Rose
Fort Worth, Texas

Nathan O. Rosenberg
Laguna Beach, California

Jim Ryffel
Fort Worth, Texas

Roger M. Schrimp
Modesto, California

Charles H. Smith
San Leandro, California

Scott Sorrels
Atlanta, Georgia

*William W. Stark Jr.
Los Altos Hills, California

Randall L. Stephenson
Dallas, Texas

*David Steward
St. Louis, Missouri

Brad Tilden
Seattle, Washington

Rex W. Tillerson
Irving, Texas

C. Travis Traylor Jr.
Houston, Texas

James S. Turley
St. Louis, Missouri

Steven E. Weekes
St. Paul, Minnesota

David Weekley
Houston, Texas

Gary E. Wendlandt
New York, New York

Brian Williams
Evansville, Indiana

James S. Wilson, D.M.
McLean, Virginia

Rosemary M. Wixom
Salt Lake City, Utah

R. Ray Wood
Rockford, Illinois

ADVISORY COUNCIL

R. Michael Daniel
Pittsburgh, Pennsylvania
Chairman

George L. Allen, M.D.
Rochester, Minnesota

Susan Au Allen
Washington, D.C.

Thomas D. Allen
Chicago, Illinois

Chris G. Armstrong
Tulsa, Oklahoma

Norman R. Augustine
Bethesda, Maryland

Bray B. Barnes
Toms River, New Jersey

Charles E. Bayless
Gilford, New Hampshire

Robert A. Bedingfield
Potomac, Maryland

Wayne E. Bingham
Albuquerque, New Mexico

Rick P. Bragga
Richmond, Virginia

Allen D. Brown
Houston, Texas

Craig Burkhardt
Washington, D.C.

M. Anthony Burns
Miami, Florida

Peter P. Casey
Weston, Massachusetts

J. Robert Coleman
San Francisco, California

John M. Coughlin
Larchmont, New York

David Disney
Kansas City, Missouri

Cheryl Esplin
Provo, Utah

Clark W. Fetridge
Chicago, Illinois

Harold C. Friend, M.D.
Boca Raton, Florida

John M. Gibson
Drumore, Pennsylvania

Larry M. Gibson
Salt Lake City, Utah

Robert K. Green
Kansas City, Missouri

Most Rev. Robert E. Guglielmone
Charleston, South Carolina

James A. Hackney III
Washington, North Carolina

Carlos R. Hamilton Jr., M.D.
Houston, Texas

Harold S. Hook
Houston, Texas

Peter W. Hummel
Reno, Nevada

William S. Hurst
Bowie, Maryland

Donald W. Kaatz
Westlake, Ohio

G. Edward Lewis, Ph.D.
Santa Fe, New Mexico

Carl M. Marchetti, M.D.
Ocean, New Jersey

J. Willard Marriott Jr.
Washington, D.C.

R. Dan Matkin
Irving, Texas

Mark P. Mays
San Antonio, Texas

Glen McLaughlin
Los Gatos, California

W. Walter Menninger, M.D.
Topeka, Kansas

Brian W. Merkley
Salt Lake City, Utah

Gary Milliman
Brookings, Oregon

James T. Morris
Indianapolis, Indiana

Francis H. Olmstead Jr.
Painted Post, New York

Edward A. Pease
Reston, Virginia

Charles M. Pigott
Bellevue, Washington

James Pooley
Geneva, Switzerland

James M. Reddinger
Birmingham, Alabama

Randall L. Ridd
Holladay, Utah

Gerard O. Rocque
Fredonia, New York

Bill Rosner
Pittsburgh, Pennsylvania

Coleman D. Ross
Chapel Hill, North Carolina

Robert S. Rownd
North Canton, Ohio

Bobby S. Shackouls
Houston, Texas

Hal Shevers
Batavia, Ohio

O. Temple Sloan Jr.
Raleigh, North Carolina

Marshall M. Sloane
Medford, Massachusetts

John F. Smith
Metamora, Michigan

Robert J. Smith
Holmdel, New Jersey

Wesley J. Smith
Piedmont, California

Jean Stevens
Salt Lake City, Utah

Ronald J. Temple, Ph.D.
Chicago, Illinois

Bruce R. Trefz
Gastonia, North Carolina

K. Gregory Tucker
Readyville, Tennessee

Togo D. West Jr.
Washington, D.C.

Dan Zaccara
Allen, Texas

*Regional president

BOY SCOUTS OF AMERICA
1325 West Walnut Hill Lane
P.O. Box 152079
Irving, Texas 75015-2079
www.scouting.org

190-002
2015 Printing


BOY SCOUTS OF AMERICA