2025 CONSOLIDATED FINANCIAL STATEMENTS

Scouting America

[THIS PAGE LEFT INTENTIONALLY BLANK]

Report of Independent Auditors

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

Opinion

We have audited the accompanying consolidated financial statements of National Council of the Boy Scouts of America and its affiliates (the "Company"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statement of revenues, expenses, and other changes in net assets, of functional expenses and of cash flows for the year then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated 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, and for 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.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

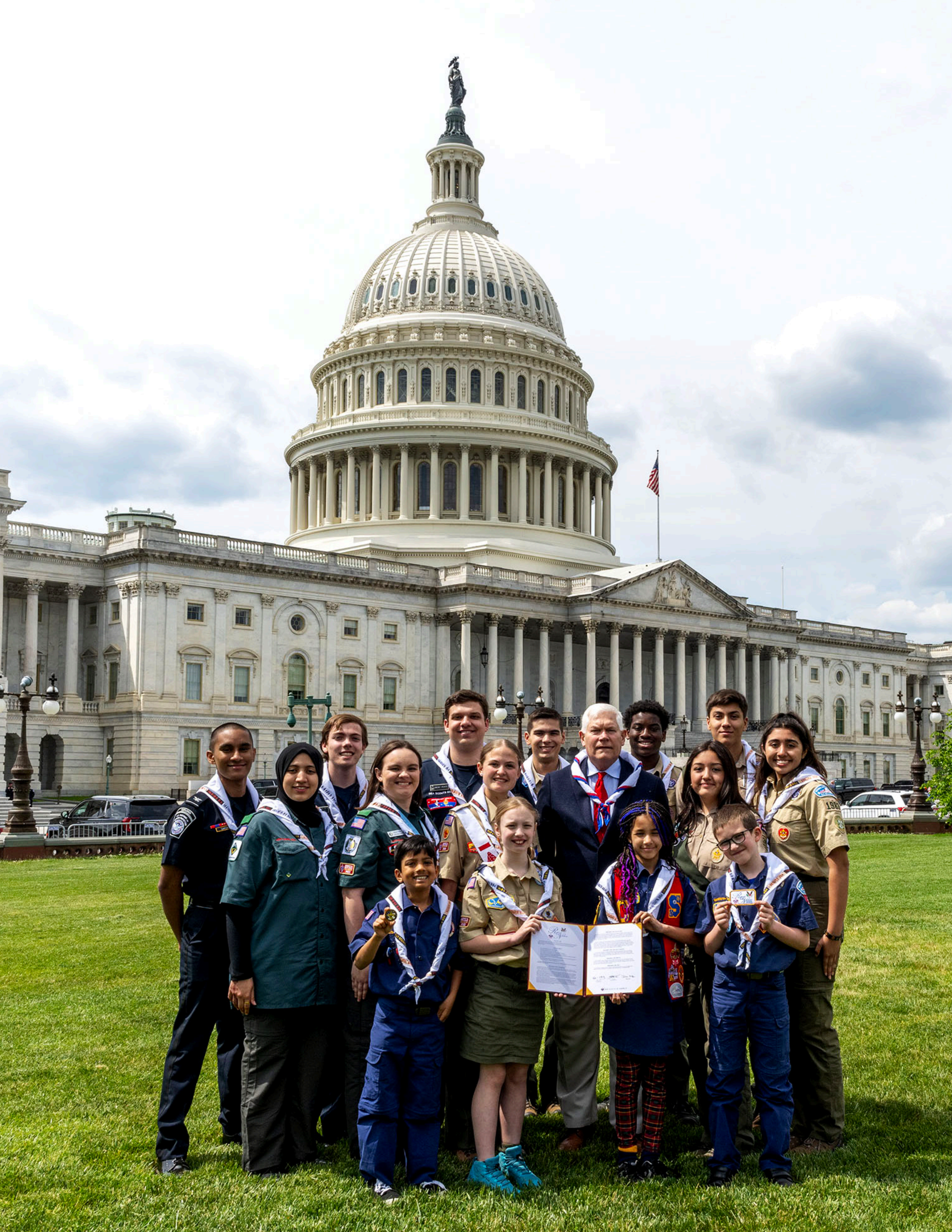
In performing an audit in accordance with US GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Dallas, Texas
May 12, 2026



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2025 (In thousands) Scouting America

	Scouting America
ASSETS	
Cash and cash equivalents	$ 203,937
Investments, at fair value (Note 2)	266,567
Accounts receivable, less allowance of $380	19,293
Pledges receivable, less discount of $3,759 (Note 4)	18,195
Other receivables	69
Gift annuities	2,708
Prepaid and deferred charges	13,872
Inventories, less provision for obsolescence of $4,399	25,044
Land, buildings, and equipment, net (Note 5)	420,123
Right-of-use assets- net operating (Note 7)	11,845
Other	6,616
Total assets	$ 988,269
LIABILITIES AND NET ASSETS	
Accounts payable and accrued liabilities	$ 62,349
Gift annuities	2,708
Lease obligation - operating (Note 7)	11,845
Unearned fees and subscriptions	80,231
Notes payable (Note 6)	291,243
Claims and other reserves	5,310
Total liabilities	453,686
Commitments and contingencies (Note 1 and 7)	
Net assets:	
Without Donor Restrictions (Note 8):	
Controlling interest:	
General operations	(161,661)
Board-designated	336,080
Total without donor restrictions—controlling interest	174,419
Noncontrolling interest (Commingled Endowment LP)	123,685
Total without donor restrictions	298,104
Total with donor restrictions (Note 9)	236,479
Total net assets ….	534,583
Total liabilities and net assets	$ 988,269

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, 2025 (In thousands) Scouting America

	Without Donor Restrictions (Note 8)	With Donor Restrictions (Note 9)	Total
REVENUES:			
Fees (Note 10)	$ 170,970		$ 170,970
Supply operations—sales	72,143		72,143
Cost of sales and expenses	(65,052)		(65,052)
	7,091		7,091
Magazine publication—sales	4,858		4,858
Cost of production and expenses	(4,468)		(4,468)
	390		390
Contributions and bequests	8,672	$ 26,931	35,603
Other—including trading post sales	23,756		23,756
Cost of sales and expenses	(4,077)		(4,077)
	19,679		19,679
Insurance Recovery	23,198		23,198
Total revenues before net investment income	230,000	26,931	256,931
Investment income, net of fees	2,201	14,992	17,193
Revenues, net	232,201	41,923	274,124
NET ASSETS RELEASED FROM RESTRICTIONS:			
Donor restrictions satisfied	29,554	(29,554)	
EXPENSES:			
Program services:			
Field operations	30,728		30,728
Human resources and training	6,514		6,514
Program development and delivery	78,419		78,419
Program marketing	7,022		7,022
World Scout Bureau fees	1,450		1,450
Insurance programs—losses and costs (Note 1)	38,429		38,429
Premiums	(6,746)		(6,746)
	31,683		31,683
Total program services	155,816		155,816
Supporting services:			
Management and general	52,192		52,192
Fundraising	4,451		4,451
Total supporting services	56,643		56,643
Total expenses	212,459	0	212,459
Change in net assets—controlling interest	49,296	12,369	61,665
Change in net assets—noncontrolling interest (Commingled Endowment LP)	(3,471)	0	(3,471)
Change in net assets	45,825	12,369	58,194
Net assets, beginning of the year	252,279	224,110	476,389
Net assets, end of year	$ 298,104	$ 236,479	$ 534,583

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2025 (In thousands) Scouting America

	PROGRAM SERVICES			
	Field Operations	Human Resources and Training	Program Development and Delivery	Program Marketing
Salaries	$ 9,421	$ 4,416	$ 46,426	$ 3,160
Benefits	3,691	1,114	10,360	725
Travel	286	44	1,159	40
Office expense and occupancy	6,184	714	17,507	1,236
Depreciation and amortization	195	19	4,153	24
Insurance losses and costs				
Premiums				
Net insurance programs				
Jamboree (world/national)				
All other expenses	10,951	410	40,331	1,784
Allocated expenses[1]	0	(203)	(41,517)	53
Total expenses	$ 30,728	$ 6,514	$ 78,419	$ 7,022

	PROGRAM SERVICES			
	World Scout Bureau Fees	Insurance Programs	Product Sales Cost of Sales	**Total Program Services**
Salaries				$ 63,423
Benefits				15,890
Travel				1,529
Office expense and occupancy				25,641
Depreciation and amortization				4,391
Insurance losses and costs		$ 38,429		38,429
Premiums		(6,746)		(6,746)
Net insurance programs		31,683		31,683
Jamboree (world/national)				
Cost of goods sold – scout shop & trading post			$ 28,347	28,347
All other expenses	$ 1,450			54,926
Allocated expenses[1]			(28,347)	(70,014)
Total expenses	$ 1,450	$ 31,683	$ 0	$ 155,816

	SUPPORTING SERVICES			
	Management and General	Fundraising	**Total Supporting Services**	**Total Expenses**
Salaries	$ 18,308	$ 2,591	$ 20,899	$ 84,322
Benefits	4,014	605	4,619	20,509
Travel	278	201	479	2,008
Office expense and occupancy	3,410	95	3,505	29,146
Depreciation and amortization	17,714	2	17,716	22,107
Insurance losses and costs				38,429
Premiums				(6,746)
Net insurance programs				31,683
Jamboree (world/national)				
Cost of goods sold – scout shop & trading post				28,347
All other expenses	11,149	942	12,091	67,017
Allocated expenses[1]	(2,681)	15	(2,666)	(72,680)
Total expenses	$ 52,192	$ 4,451	$ 56,643	$ 212,459

[1] Certain expenses have been allocated to Supply operations, Magazine publications, and Program services. Supply operations and Magazine publications expenses are included with revenue on the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets.
The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2025 (In thousands) Scouting America

CASH FLOWS FROM OPERATIONS:	
Change in net assets	$ 58,194
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operations:	
Depreciation and amortization	22,276
Net realized and unrealized losses on investments	(25,655)
Interest and dividends reinvested	(890)
Contributions to the permanently restricted endowment	(11,934)
Contributions restricted for capital expenditures and debt service	(2,003)
Non-cash operating lease adjustment	(621)
Net losses on disposal of land, buildings, and equipment	1,058
Changes in assets and liabilities:	
(Increase) in accounts receivable	(11,434)
Decrease in pledges receivable	2,719
Decrease in other receivables	454
Decrease in inventories	5,524
Decrease in prepaid charges/other assets/gift annuities	20,838
(Decrease) in accounts payable/accrued liabilities/gift annuities	(15,502)
(Decrease) in unearned fees and subscriptions	(29,823)
(Decrease) in operating lease liabilities	(3,035)
(Decrease) in claims and other insurance reserves	(799)
Net cash and cash equivalents provided by operations	9,367
CASH FLOWS FROM INVESTING:	
Additions to land, buildings, and equipment	(30,292)
Proceeds from the sale of investments	260,710
Purchases of investments	(241,705)
Net cash and cash equivalents (used in) investing activities	(11,287)
CASH FLOWS FROM FINANCING:	
Increase in non-interest-bearing installment note	555
Repayment of debt	(37,971)
Contributions from non-controlling interest	3,398
Distributions to non-controlling interest	(21,254)
Contributions to the permanently restricted endowment	11,934
Contributions restricted for capital expenditures and debt service	2,003
Net cash and cash equivalents (used in) financing activities	(41,335)
(Decrease) in cash and cash equivalents	(43,255)
Cash and cash equivalents, beginning of the year	247,192
Cash and cash equivalents, end of year	$ 203,937
SUPPLEMENTAL CASH FLOW INFORMATION:	
Interest paid	$ 14,845
Gifts-in-kind	200

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

NOTE 1. ORGANIZATION, LITIGATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Boy Scouts of America, National Council which conducts its activities under the name Scouting America, 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. The National Council's activities also include merchandise sales, magazine publications, and the coordination of national events.

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 (National Council): Learning for Life; the Learning for Life Foundation; BSA Asset Management, LLC (BSAAM); BSA Commingled Endowment Fund, LP (Partnership); the Boy Scouts of America National Foundation (the Foundation); and Arrow WV, Inc (collectively the "Affiliates"). 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 Bechtel Reserve (SBR). The National Council is the sole member of BSAAM, and BSAAM is the General Partner of the Partnership, whose limited partners consist primarily of the National Council and local councils. Thus, the National Council has a limited partner interest in the Partnership as well as a general partner interest as the sole member of BSAAM. As such, the financial statements include the consolidation of the Partnership's assets, liabilities, capital, and operations. The limited partner interest of the local councils in the Partnership 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.

Commitments and Contingencies - General Liability Insurance Program

The National Council has a general liability insurance program (GLIP) as of December 31, 2025. The program is funded by payments received from the National Council, local councils, and chartered units. Premiums received during 2025 for this program were $5,831 and insurance losses, costs and provision expense were $37,426. On the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets, which includes the stated insurance losses and costs total, is $1,003 of insurance losses and costs from other insurance programs. Similarly, $915 is included in premiums revenue from other insurance programs.

The GLIP contains $44,356 of investments, receivables, and other assets for net assets of $44,356 as of December 31, 2025. The net assets of the GLIP is reported within board designated net assets in the accompanying Consolidated Statement of Financial Position.

Long Lived Asset to Be Held or Used

ASC 360, Property, Plant, and Equipment, indicates that long-lived assets within an asset group should be tested for recoverability whenever events or circumstances indicate that the carrying amount of the long-lived assets may not be recoverable. ASC 958, Not-for-profit entities, emphasize the importance of the asset's utility in fulfilling the entity's mission. An asset or asset group is considered recoverable for a not-for-profit entity when the total undiscounted cash flows expected to be generated from the entity—not from a specific asset or asset group—exceed its carrying amount. This analysis is the first step of the impairment test of long-lived assets. If an asset group is not recoverable based on the results of step one, the second step determines the extent of impairment, if any, by comparing the fair value of the asset group to its carrying amount. If the carrying amount of an asset group is recoverable (i.e., passes step one), the reporting entity is precluded from recognizing an impairment charge, even if the fair value of the asset group, or any individual asset within the group, is less than its carrying amount.

Liquidity and Capital Resources

The National Council's primary sources of liquidity are cash on hand, cash flow from operations, accounts receivable primarily from local councils, pledge payments available for operations, endowment earnings from board designated funds and borrowings from debt facilities.

Notes to Consolidated Financial Statements ($ stated in thousands)

The National Council regularly monitors liquidity to meet its operating needs and other contractual commitments. As part of the National Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the National Council invests cash in excess of operating requirements.

The table reflects the National Council's financial assets as of December 31, 2025, reduced by the amounts that are not available to meet general expenditures within one year of the statement of financial position date due to contractual restrictions or internal board designations:

	2025
Cash and cash equivalents	$ 203,937
Investments	266,567
Accounts receivable	19,293
Pledges receivable	18,195
Total Financial Assets	507,992
Noncontrolling interest	(123,685)
Endowment with donor restrictions	(161,737)
Pledges receivable due in greater than one year	(7,965)
Financial assets available to meet cash needs for general expenditures within one year	$ 214,605

The National Council continues to fund its operations subsequent to the balance sheet. Furthermore, the National Council has a board-designated endowment of $1,745 as of December 31, 2025. As of the date of this report, an intercompany loan from the Foundation of $31,030, which is eliminated in consolidation of the financial statement will be used to fund operations when needed.

As disclosed in Note 2, the National Council has outstanding investment commitments of approximately $8,880, of which a portion is expected to be drawn over the next 0-2 years. These commitments are not reflected as liabilities in the Consolidated Statement of Financial Position but represent future cash requirements. The National Council considers this commitment in its liquidity planning and expects to utilize available financial resources when needed.

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. The National Council's Financial instruments consist primarily of cash, investments, accounts and pledges receivable, accounts payable, and debt. The National Council believes that the carrying values of cash, accounts receivable, and accounts payable are representative of their respective 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.

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 judgment in determining the fair value assigned to such assets or liabilities.

Regarding Level 2, the valuation of these securities is handled daily by external pricing services administered by the National Council'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.

Real estate investments, private equity, and collective trust 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 a 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 a 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.

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 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.

Inventories. As of December 31, 2025, inventories are valued using the weighted average cost method. Inventories of merchandise, printing stock, and supplies are carried at the lower of average cost or market value. 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 the gift. Depreciation and amortization are calculated using straight-line method over the estimated useful lives of the related asset. Estimated useful lives for financial reporting purposes are as follows: buildings and improvements, 10 to 40 years; computer software and hardware, 3 to 5 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 operation.

Hailstorm Damage, Insurance Recoveries, and Related Commitments. During fiscal year 2025, the National Council experienced a significant hailstorm that caused damage to buildings, vehicles, and other properties at Philmont Scout Ranch. The National Council received insurance proceeds totaling $23,198 during the year ended December 31, 2025. In accordance with U.S. GAAP, insurance recoveries are recognized when realized; accordingly, these proceeds were recognized as insurance recovery income in the accompanying Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets.

Storm-related repair and replacement costs totaling approximately $15,200 were incurred during fiscal year 2025 and were recorded based on their nature. Costs that did not extend the useful life or improve the capacity of the related assets were expensed as incurred. Costs associated with major restorations or replacements that extend useful life or improve the assets were capitalized to construction in progress or land, buildings, and equipment and depreciated when placed in service. Approximately $14,900 was capitalized and the remaining $300 was expensed as incurred.

As of December 31, 2025, the National Council had entered into contractual commitments for additional storm-related repairs and replacements totaling approximately $7,900, which are expected to be performed in subsequent periods. These agreements represent executory contracts; accordingly, no liability has been recorded in the accompanying Consolidated Statement of Financial Position as of year-end. The related costs will be recognized as incurred. Additional insurance proceeds are expected to be received in 2026 to cover the cost of these expenses.

Revenue Recognition. 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), contributions, and grants are recognized as revenues in the year in which an unconditional promise to give is received. Grants and contributions are classified as either conditional or unconditional. Unconditional grants are recognized as revenue when awarded or promised. Conditional grants are not recognized as revenue until the related conditions have been substantially met or explicitly waived by the grantor.

Grants and contributions with donor-imposed restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions and are reported in the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets as net assets released from restrictions.

Restricted pledges, grants, and contributions that are to be utilized in the same period as received are initially recorded as net assets with donor restrictions and then released to net assets without donor restrictions when the purpose or time restriction is met. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. 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), 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.

Underwater Endowment Funds. The National Council considers its endowment funds to be underwater if the fair value is less than the sum of (1) the original value of the initial and subsequent gift amounts donated to the endowment fund and (2) any accumulations to the endowment fund that are required to be maintained in perpetuity per the direction of the donor. From time to time, the fair value of assets with individual donor-restricted endowment funds may fall below the level required to be maintained by the donor or required by law. As of December 31, 2025, there were no endowment funds with deficiencies.

Leases. ASC 842 requires that, for leases longer than one year, a lessee recognize in the balance sheet a right of use asset, representing the right to use the underlying asset for the lease term, and a lease obligation, representing the liability to make lease payments. It also requires that for finance leases, a lessee recognize interest expense on the lease obligation, separately from the amortization of the right of use asset in the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets, while for operating leases, such amounts should be recognized as a combined expense. In addition, this ASU requires expanded disclosures about the nature and terms of lease agreements. Right of use assets are amortized using the straight-line method over the shorter of the remaining life of the lease agreements or the life of the asset.

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 Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets.

Functional Expenses. The costs of providing the Scouting program and supporting services have been summarized on the Consolidated Statement of Revenue, Expenses and Other Changes in Net Assets on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include occupancy, depreciation, office expenses, insurance, salaries and wages of support personnel, accounting, information technology personnel, and payroll taxes. The basis of the allocation of these expenses is the result of a time study of staff activities which is performed every two years. The percentage of time allocated to each of the programs and the supporting functions is based on the time study and is applied to the expenses that are allocated. The consolidated financial statements report expenses by function in the consolidated statement of functional expenses.

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 for the local councils 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 significantly from those estimates.

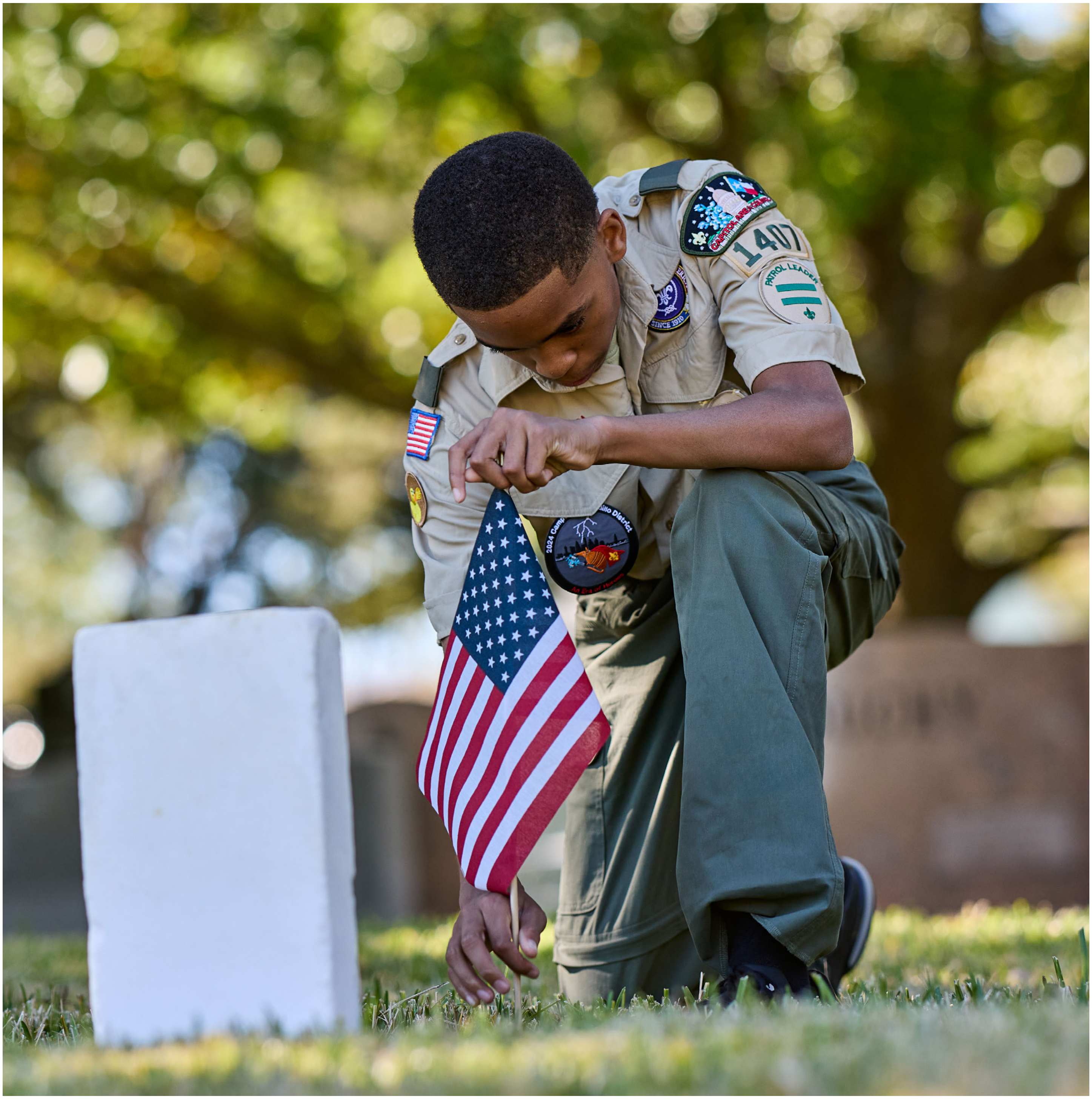
Income Tax Status. The National Council and its other affiliates, Learning for Life, the Boy Scouts of America National Foundation, BSA Asset Management, LLC, and Arrow WV, Inc., are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and have been classified as organizations that are not private foundations. Each of the partners of the Partnership 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, 2025, the National Council has a cumulative net operating loss of approximately $34,555. 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, 2025.

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

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, 2025, 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.

Subsequent Events. The National Council has performed a review of subsequent events through the date the financial statements were available to be issued. Other than those items already 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

At December 31, 2025, investments comprised the following:

	Level 1	Level 2	Level 3	Total
Short-term investment funds and treasury bills	$ 129	$ 17,525	$ 0	$ 17,654
Debt securities				
Government	0	22,251	0	22,251
Corporate	0	18,640	0	18,640
Other	0	16,526	0	16,526
Total debt securities	0	57,417	0	57,417
Equity securities				
Common stocks—domestic	7,318	4,454	0	11,772
Common stocks—foreign	20,034	5,832	0	25,866
Total equity securities	27,352	10,286	0	37,638
Investments measured at net asset value[1]				153,858
Total investments	$ 27,481	$ 85,228	$ 0	$266,567

[1] Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statement of Financial Position.

No transfers between any of the levels occurred in 2025.

Notes to Consolidated Financial Statements ($ stated in thousands)

The National Council uses the Net Asset Value (NAV) to determine the fair value of all underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their investee's financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments by major category as of December 31, 2025:

2025

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Drawdown Commitments
Private Equity (Limited Partnership)	Private equity funds invest in companies not listed publicly and startup companies to earn high rate of return. The strategy allocates between middle market corporate finance focused funds and venture capital focused funds	$ 54,018	54	1 to 8 years	$ 8,253	1 to 2 years
Collective Trust	Collective trust fund is like a mutual fund, but it only sells to institutional investors. CTF funds cover broad strategies including but not limited to U.S. equity, Non U.S. equity, U.S. investment grade debt, U.S. treasury debt, high yield debt and global REITS	78,849	18	N/A	N/A	N/A
Private Real Estate (Limited Partnership)	Private real estate fund utilizing core strategy to generate income while maintain low risk profile by focusing on gateway cities and other large cities. Investments include residential, industrial, retail and office sectors to diversify portfolio.	20,991	2	1 to 2 years	627	0 to 1 year
	Total	$ 153,858	74		$ 8,880	

The Private Equity funds have no redemption terms. The Private Real Estate funds have a 45-day notice period and quarterly redemption. Most Collective Trust funds may be redeemed daily except the ACWI ex U.S. CTF fund that can typically be redeemed twice a month.

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.

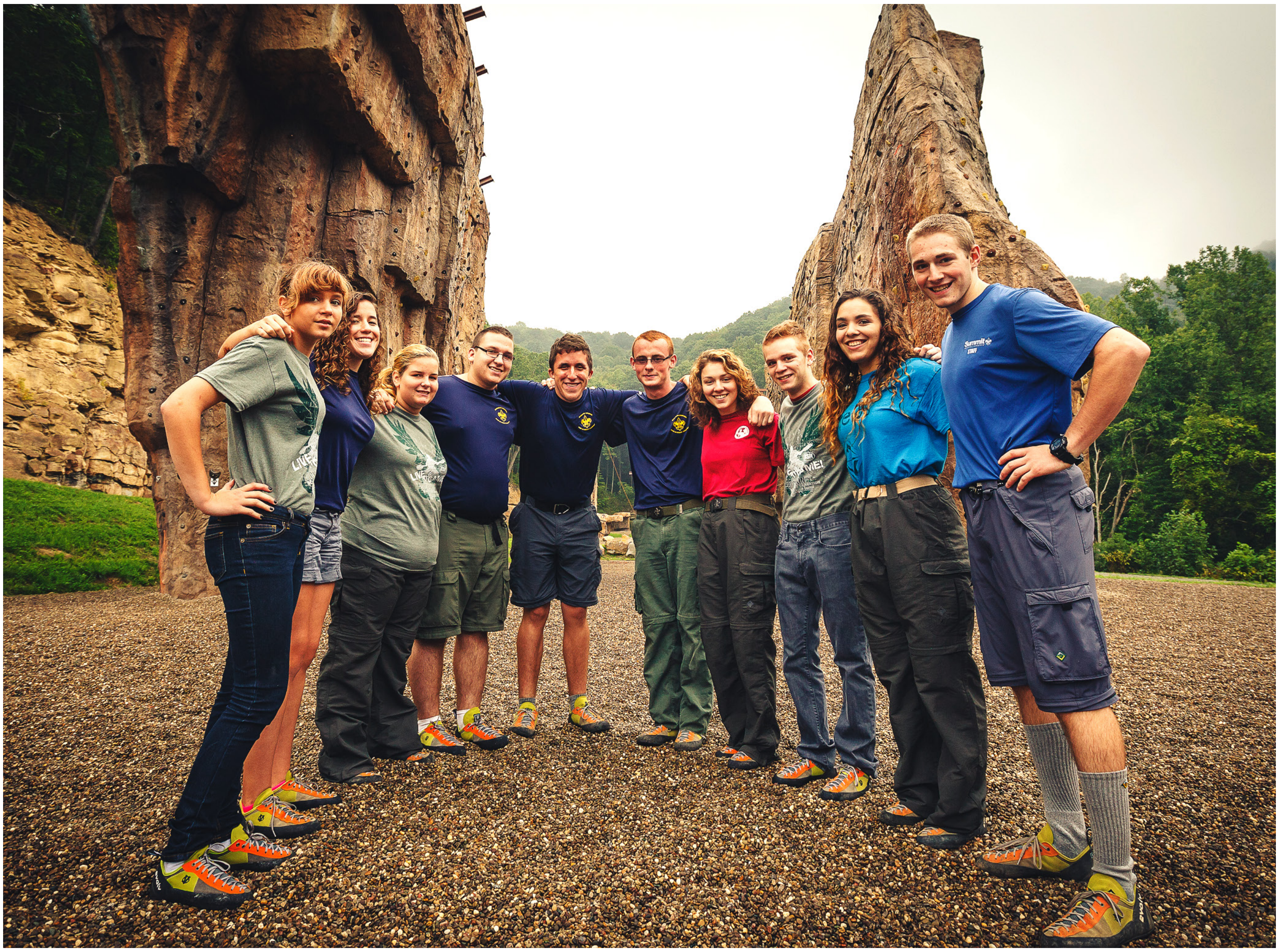
Total net investment income for the year ended December 31, 2025, recognized across all entities in the consolidated financial statements was $31,578, comprising $8,517 of interest and dividends, $12,811 of net realized gains, and $11,715 of unrealized gains in the fair value of investments, less $1,465 in investment manager expenses. Of this total, $17,193 is reported as Investment income, net of fees, on the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Asset, consisting of $5,173 of interest and dividends, $6,527 of net realized gains, and $6,128 of unrealized gains, less $635 in investment manager expenses. This amount reflects investment activity attributable to the National Council's controlling interest. The remaining $14,385 is attributable to the local councils' limited partner interest in the BSA Commingled Endowment Fund, LP and is included within the Change in net assets — noncontrolling interest line on the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets. This noncontrolling interest portion consists of $3,344 of interest and dividends, $6,284 of net realized gains, and $5,587 of unrealized gains, less $830 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, 2025, 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, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance December 31, 2024	$ 1,677	$ 152,209	$ 153,886
Investment return:			
Interest and dividends	2	4,356	4,358
Realized and unrealized investment gains	67	9,705	9,772
Investment manager fees	(2)	(597)	(599)
Net investment return	67	13,464	13,531
Contributions	1	12,702	12,703
Spending allocation	0	(968)	(968)
Net assets released from restriction	0	(13,552)	(13,552)
Other (net)	0	(2,118)	(2,118)
Balance December 31, 2025	$ 1,745	$ 161,737	$ 163,482

The National Council's endowment consists of approximately 113 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 restricted. Investment returns in excess of spending authorized by the "spending policy" (the spending policy is defined below) are classified as temporarily 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.

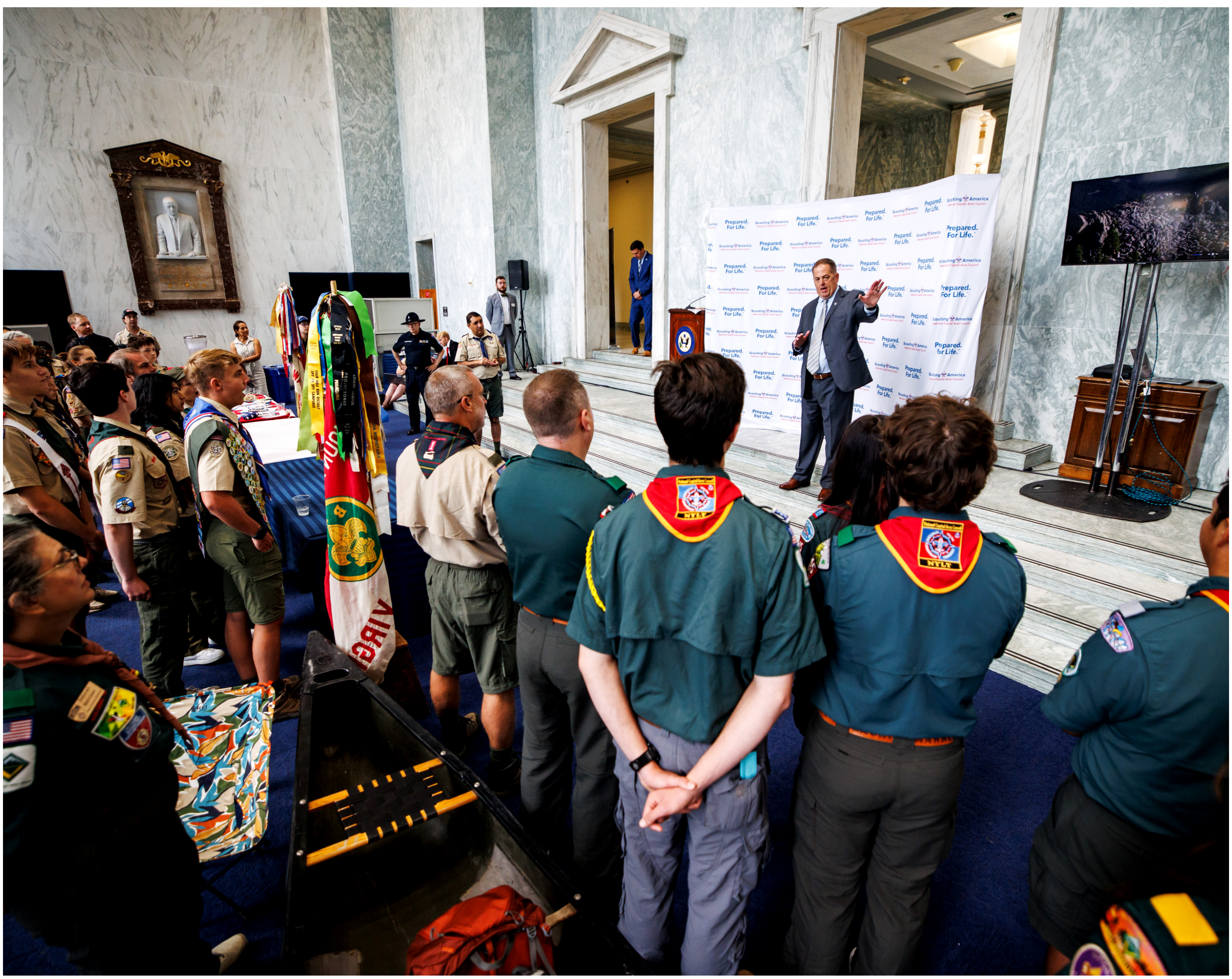
In accordance with TUPMIFA, the National Council considers the following factors in establishing its spending rate for donor-restricted endowment funds:

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.

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 National Council must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The National Council invests its endowment assets in the Partnership. 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 to provide an average annual real rate of return of approximately 4.5 percent over the long term, after allowance for expected inflation and investment cost. 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 National Council considered the long-term expected return on its endowment.



Notes to Consolidated Financial Statements ($ stated in thousands)

NOTE 4. PLEDGES RECEIVABLE

Included in pledges receivable are the following:

Unconditional promises to give before discounts	$ 23,079
Less discount	(3,759)
Net unconditional promises to give (before allowance)	19,320
Less allowance	(1,125)
Net unconditional promises to give (after allowance)	$ 18,195

Amounts due in:	
Less than one year	$ 12,470
One to five years	9,500
More than five years	1,109
Total undiscounted pledges	$ 23,079

Pledges are evaluated for collectability and assigned a discount rate related to the risk of uncollectable amounts. The discount rates for valuing 2025 pledges ranged from 2.29 to 5.26 percent.

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

NOTE 5. LAND, BUILDINGS, AND EQUIPMENT

At December 31, 2025, land, buildings, and equipment comprised the following:

Land	$ 147,474
Construction in process	23,642
Total non-depreciable assets	171,116
National office, less accumulated depreciation of $14,517	2,687
High-adventure bases, less accumulated depreciation of $42,814	42,504
National Distribution Center, less accumulated depreciation of $183	209
Summit Bechtel Family National Scout Reserve, less accumulated depreciation of $122,661	188,872
Furniture, equipment, and software, less accumulated depreciation and amortization of $83,055	14,735
Total land, buildings, and equipment, less accumulated depreciation and amortization of $263,230	$ 420,123

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

Depreciation expense was $18,620 in 2025.

Notes to Consolidated Financial Statements ($ stated in thousands)

NOTE 6. NOTES PAYABLE

Notes payable consists of the following at December 31, 2025:

	2025 Principal Payment	Interest Rate	Maturity Date	Outstanding at December 31, 2025
Converted Term Loan of $65,640	18,282	1.5% + SOFR	2033	17,358
Boy Scouts of America Settlement Trust of $86,060	9,151	5.5%	2033	76,909
2010 Bond issuance (Series B) of $50,000	1,015	3.22% fixed	2033	39,122
2012 Bond issuance of $175,000	3,462	2.94% fixed	2033	142,200
Term Loan of $11,250	563	1% + SOFR	2033	10,688
Core Value Note of $25,000	5,387	Non-interest-bearing	2026	4,522
Summit Equipment $555	111	Non-interest-bearing	2029	444
National Boy Scouts of America Foundation Loan (intercompany eliminated in consolidation)	4,280	6.5%	2033	31,030
Total	$ 42,251			$ 322,273
National Boy Scouts of America Foundation Loan (intercompany eliminated in consolidation)	(4,280)	6.5%	2033	(31,030)
Total	$ 37,971			$ 291,243

In March 2012, the National Council issued debt to finance the development of the Summit. $175,000 in 10-year, tax-exempt bonds were 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 was paid in 2015 and the Series B bond had a monthly principal and interest payment with a balloon payment of $40,363 that was due in 2020. No principal payments were made in 2023 due to the bankruptcy. In April 2023, post-bankruptcy the bond was renegotiated with JP Morgan on the remaining $40,137 extending the repayment period, with a balloon payment of $26,399 due in 2033.

The $175,000 bonds payable, required monthly interest and principal payments with a balloon payment of $136,834 due in 2022. No principal payments were made in 2023 due to the bankruptcy. In April 2023, post-bankruptcy the bond was renegotiated with JP Morgan on the remaining $145,662 extending the repayment period, with a balloon payment of $99,302 due in 2033.

The organization's entire bond proceeds have been used for development of the Summit. All the bonds are senior obligations of the organization and required collateral of the National Council'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.

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 as amended is 0.15 percent per annum. The interest rate on amounts utilized is LIBOR plus 1.25 percent or prime rate of 4.5 percent for funds based on the flexibility needed on funds outstanding. In 2023, post-bankruptcy line of credit was converted to a term loan with an initial balance of $65,640, an interest rate of 1.5% plus SOFR, a maturity date of 2033 and a balloon payment of $13,128 also due at that time.

In April 2023, the National Council incurred a post-bankruptcy debt of $81,422 due to the settlement trust, this is a 10-year note with fixed and variable principal payments, payable annually with an interest rate of 5.5%. The settlement trust debt increased to $86,060, $4,638 of interest payments were deferred and added to the principal in 2024.

In April 2023, Core Value non-interest-bearing debt to holders of unsecured claims post-bankruptcy of $25,000 payable semi-annual payments.

In August 2025, the National Council purchased equipment totaling $555 to support Summit operational activities. The purchase was financed through a five-year non-interest-bearing installment note payable to AT&T.

Aggregate maturities of notes payable for each of the years subsequent to December 31, 2025, are as follows:

2026	$ 27,703
2027	24,894
2028	21,828
2029	19,716
2030 and thereafter ...	197,102
Total	$ 291,243

Interest incurred, capitalized, expensed, and paid during the year ending December 31, 2025, were:

Interest incurred	$ 14,727	Interest paid	$ 14,845
Interest expensed	$ 14,727		

The National Council capitalizes interest cost in accordance with ASC 835-20 during periods in which qualifying assets are under construction and interest cost are incurred.

During the year ended December 31, 2025, the National Council had active construction activity related to storm-related asset replacements. However, no interest was capitalized during the period as the National Council did not have any interest-bearing debt associated with these construction activities while qualifying construction activities were in progress.

NOTE 7. LEASE OBLIGATIONS

The National Council leases are operating leases. The National Council's leases have remaining terms that range from less than a year to approximately 5 years, including extension options management expects to exercise.

During the year ended December 31, 2025, the total costs associated with the National Council's leasing activities are as follows:

	2025
Operating lease cost	$ 4,329

Notes to Consolidated Financial Statements ($ stated in thousands)

Commitments

Future minimum rent payments under non-cancelable lease obligations with initial terms in excess of one year in effect as of December 31, 2025, are as follows:

Year Ending December 31,	Operating Lease
2026	$ 4,763
2027	4,141
2028	3,052
2029	1,354
2030	43
Total	13,353
Unrecognized interest	(1,508)
Lease obligations	$ 11,845

As of December 31, the National Council's right of use assets are summarized as follows:

Operating leases

	2025
Beginning balance	$ 14,880
Non-cash additions	798
Other adjustments	(177)
Buy-out	0
Amortization	(3,656)
Ending balance	$ 11,845

As of December 31, the National Council's lease obligations are summarized as follows:

Operating leases

	2025
Beginning balance	$ 14,880
Non-cash additions	798
Other adjustments	(177)
Buy-out	0
Interest accretion	673
Lease payments	(4,329)
Ending balance	$ 11,845

As of December 31, the weighted-average remaining term and the weighted-average discount rate associated with the National Council's leases are as follows:

	2025
Weighted-average remaining lease term – operating leases	35 months
Weighted-average discount rate – operating leases	1.27%

Notes to Consolidated Financial Statements ($ stated in thousands)

NOTE 8. NET ASSETS WITHOUT DONOR RESTRICTIONS

At December 31, 2025, unrestricted net assets with a controlling interest comprised the following:

General operations	$ (161,661)
Board-designated:	
Unrestricted Investments	1,745
Properties	274,253
Retirement Benefits Trust (Note 11)	7,356
Insurance Programs	45,917
Other	6,809
Total board-designated net assets	336,080
Total unrestricted net assets, controlling interest	$ 174,419

Unrestricted net assets attributed to noncontrolling interests represent the local councils' ownership in the Partnership. Total unrestricted net assets have changed as follows:

	Controlling Interest	Noncontrolling Interest	Total Unrestricted
Net assets as of December 31, 2024	$ 125,123	$ 127,156	$ 252,279
Change in net assets	49,296	(3,471)	45,825
Net assets as of December 31, 2025	$ 174,419	$ 123,685	$ 298,104

Notes to Consolidated Financial Statements ($ stated in thousands)

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025, restricted net assets comprised the following:

Permanently restricted net assets:	
National Scouting Museum (income supports museum operations)	$ 12,335
Order of the Arrow Endowment Fund	10,656
Waite Phillips Scholarship (income supports Philmont scholarships)	8,992
Cooke Eagle Endowment (income supports Eagle Scout scholarships)	7,519
Genevieve and Waite Phillips (income supports maintenance of Philmont)	7,433
Walter Scott Family Foundation Endowment (income supports general operations)	4,784
High adventure (income benefits high-adventure program)	3,722
Kenneth McIntosh (income supports Scouting around the world)	3,505
Sonia S. Maguire (income supports Philmont camperships)	2,450
Steve Fossett High-Adventure Base Endowment (income supports high-adventure bases)	2,433
Hall Scholarship (income supports Eagle Scout scholarships)	2,380
John W. Watzek Jr. (income supports general operations)	2,378
NESA Scholarship (income provides academic scholarships for Eagle Scouts)	2,239
Tridave Legacy Pledge (income supports Summit venues)	1,888
Northeast Region Main Trust Fund (income supports Northeast Region)	1,683
Summerfield Endowment (income supports general operations)	1,512
Robert E. Allen Endowment Fund (income supports general operations)	1,411
A. Ward Fund (income supports scholarships of youth leaders to serve at HAB)	1,357
Milton H. & Adele R. Ward (income supports local councils)	1,355
Ward Fund 3 (income supports programs yet to be determined)	1,320
Hanna Eagle Scout Scholarship Fund (income supports Eagle Scout scholarships)	1,291
BSAF Endowment Fund (income supports Philmont Scout Ranch)	1,280
Central Region Trust Fund (income supports Central Region)	1,247
BSAF Philmont Endowment Fund (income supports Philmont Scout Ranch)	1,235
Norton Clapp (income supports scouting around the world)	1,231
Other	23,040
Total permanently restricted net assets	110,676
Temporarily restricted net assets:	
Lilly Endowment Character Grant	19,547
Pillars of Scouting Pledge (income supports BSA debt relief)	16,718
Arrow WV (contributions and income supports the Summit)	15,304
Poole Gateway Endowment (supports Poole Gateway Village and related programs)	5,754
Capital Funding	5,415
Goodrich Lake Endowment Fund (maintains lake at the Summit)	4,216
Philmont Capital Funding	2,821
Doug Cook Memorial Fund (supports Chief Okemo council)	2,288
G&W Phillips Endowment Income (income supports Philmont real estate)	1,700
Waite Phillips Scholarship Income (supports Philmont scholarships)	1,699
Hafer Chaplain Expenses (supports chaplaincy services at high adventure bases)	1,544
Cabela Family Foundation Fund (used to rehabilitate Cimarroncita at Philmont)	1,513
Mississippi Council Enhancement Fund	1,455
Glen Adams Eagle Scout Scholarships (supports Eagle Scout scholarships)	1,393
Arnold Scoutreach (supports general charitable purposes of the BSA and related entities)	1,257
Thomas Novitski Fund (supports High-Adventure Base camperships)	1,243
Other	41,936
Total temporarily restricted net assets	125,803
Total restricted net assets	$ 236,479

Notes to Consolidated Financial Statements ($ stated in thousands)

NOTE 10. FEES

During 2025, fees comprised the following:

Registration and license fees	$ 93,884
National service fees from local councils	14,283
High-adventure bases	58,838
Other	3,965
Total fees	$ 170,970

NOTE 11. RETIREMENT BENEFIT 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 2025, neither the National Council nor the local councils made payments to the Trust. Net investment gains for the Trust in 2025 equaled $375, and at December 31, 2025, the Trust's net assets were $7,356.

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.

NOTE 12. 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 11). 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.

NOTE 13. BENEFITS

The National Council 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. In October 2017, the National Executive Board amended the thrift plan to the "BSA Matching Savings Plan" effective January 1, 2019. The National Council also sponsors a "qualified" elective matching savings plan. The National Council will match employees' personal contributions, $.50 per $1 contributed, up to 9 percent of pay. 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 expense in 2025 related to the matching savings plan was $2,231.

NOTE 14. DEFINED BENEFIT RETIREMENT PLAN

The National Council operates as a multiemployer plan that covers both National Council and local council employees, and thus reports accordingly, consistent with ASU No. 2011-09.

The National Council 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). If a participating employer stops contributing to the plan, the unfunded obligations of the plan will be borne by the remaining participating employers.

Despite an overall increase of 72 employees to 4,420 in 2025, the number of employees participating in the defined benefit plan decreased. The National Council and local councils each contributed an amount equal to 12 percent of an employee's salary in 2025. The National Council's employer contribution for 2025 was $5,459. The amounts represent in excess of 5 percent of total contributions to the plan in each year. As of August 1, 2020, there was a plan freeze and employee contributions to the defined benefit plan were suspended indefinitely, however, employer contributions will continue.

Total employer contributions to the plan, including local councils, was $6,959 for 2025. Employee contributions ended for the plan as of August 1, 2020. For the year ended December 31, 2025, the plan had net assets of $1,448,264.

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 6.5 percent and the PPA-prescribed mortality tables for each plan year, for the year ending December 31, 2025, was $1,332,492. As of December 31, 2025, the pension plan is approximately 109 percent funded with contributions exceeding the minimum funding requirements of ERISA.

NOTE 15. RELATED PARTIES

Local Councils

The National Council charters approximately 250 local councils across the United States, which deliver the Scouting program to youth members at the community level. The National Council exercises significant influence over local councils through its authority to grant, renew, and revoke charters, establish and enforce standards of performance, conduct inspections of council operations and campsites, and administer financial support programs. The National Council provides local councils with program materials, insurance coverage, employee benefits administration, investment management through the BSA Commingled Endowment Fund, LP (Partnership), and human resources and council operations support services.

Local councils participate in the Partnership as limited partners. The Partnership is consolidated in these financial statements, and the local councils' collective ownership interest is presented as noncontrolling interest. As of December 31, 2025, the noncontrolling interest attributable to local councils was $123,685. Contributions from and distributions to local council limited partners during 2025 were $3,398 and $21,254, respectively.

The National Council collects national service fees and registration and licensing fees from local councils in connection with services rendered and membership administration. During the year ended December 31, 2025, national service fees received from local councils totaled $14,283. Accounts receivable as of December 31, 2025, consist primarily of amounts due from local councils for merchandise sales and insurance coverage. Local councils also participate in the National Council's general liability insurance program, contributing premiums of $5,831 during 2025.

Local council and National Council employees jointly participate in the Boy Scouts of America Retirement Plan for Employees. Total employer contributions to the plan from all participating entities were $6,959 during 2025, of which $5,459 was contributed by the National Council.

Philmont Staff Association
The Philmont Staff Association (PSA) is an independent 501(c)(3) organization incorporated in New Mexico whose stated mission is to support the staff — past, present, and future — of Philmont Scout Ranch, a high-adventure property owned and operated by the National Council located in Cimarron, New Mexico. PSA operates from an address on Philmont Scout Ranch property.

During the year ended December 31, 2025, PSA provided approximately $340 to the National Council in the form of cash grants and in-kind support. PSA also awards scholarships and camperships that are paid directly to Philmont's individual summer trek programs on behalf of participants, subsidizing program fee revenue at the Ranch.

The National Council and PSA do not share common governing boards. Transactions between the National Council and PSA are conducted at terms established by each organization independently.

Charles L. Sommers Alumni Association
The Charles L. Sommers Alumni Association (SAA) is an independent 501(c)(3) organization incorporated in Minnesota whose stated mission is to support the programs of the Boy Scouts of America Northern Tier Bases. The Northern Tier National High Adventure Program is owned and operated by the National Council in Ely, Minnesota.

SAA awards scholarships to seasonal staff of Northern Tier to support career development and higher education. As part of its scholarship award process, SAA requires review and approval of scholarship applicants' job performance by Northern Tier management, employees of the National Council. Scholarship awards are paid directly to educational institutions on behalf of recipients. During the year ended December 31, 2025, SAA awarded $44 in scholarships under this program. SAA also conducts volunteer work weeks and training seminars at the Northern Tier facility, providing improvements and programming support to a National Council-owned asset.

The National Council and SAA do not share common governing boards. Transactions between the National Council and SSA are conducted at terms established by each organization independently the National Council did not receive any direct cash transfers from SAA during 2025.

Scout Executives' Alliance
The Scout Executives' Alliance (SEA) is a 501(c)(9) voluntary employees' beneficiary association that provides death benefits to estates of deceased local council and National Council employees. SEA is governed by a board of trustees comprised of current National Council executive officers.

SEA holds 0.64 percent limited partnership interest in the BSA Commingled Endowment Fund LP, which is presented within noncontrolling interest in the National Council's Consolidated Statement of Financial Position at approximately $1,400 as of December 31, 2025. The National Council provides certain administrative and operational services to SEA, including facilities and financial oversight. These arrangements were not material to the National Council's consolidated financial statements.

National Council Senior Management

Roger Krone, Chief Scout Executive President & CEO

Oscar Raposo, EVP Chief Financial Officer

Joseph Zirkman, EVP General Counsel & Corporate Secretary

Chuck Brasfeild, EVP Council Operations

John Mosby, ACSE EVP Chief Youth Program Officer

Lisa Young, ACSE EVP Chief Administrative Officer

Glen Pounder, EVP Chief Safeguarding Officer

Ryan Elias, EVP Chief Development Officer

Sean Magennis, EVP Membership Engagement

Michael Bullock, SVP Chief Information Officer

Michael Ramsey, SVP Communications & Marketing

National Council Financial Officers

Nick Freyaldelnhoven, VP Scouting America Controller

Destyné Hailey, Assistant Controller

Jennie Nooner, Assistant Controller Foundations

Lisa Fritschel, Assistant Controller Outfitters

Amy Grace, Assistant Controller Summit

Stuart Hueber, Director Tax Accounting

Susie Lutt, Manager Cash Management & AR