

2 0 1 3 **Annual Report**



BOY SCOUTS
OF AMERICA®
NATIONAL FOUNDATION

Prepared. For Life.®



Letter From the Chairman

2013 was a groundbreaking and challenging year for the Boy Scouts of America. Even so (or perhaps because of those challenges), it was an outstanding year for the BSA Foundation. We raised almost \$25 million in new gifts, mostly to support local council programs and initiatives. We established many new donor-advised funds and field-of-interest funds, including two in support of innovation and STEM initiatives in Scouting.

Part of our success can be credited to the BSA's Treasury Department and the Foundation's newly established Investment Committee. We had returns on our investments of more than 14 percent in 2013. Donors who entrust us with their advised funds, charitable trusts, scholarships, and other funds expect top-quality investment and management services of their funds. I happen to be one of those donors, and I assure you that the BSA Foundation delivers all of that—and more.

The Foundation distributed millions of dollars in grants in 2013 to help our local councils provide top-quality programs and experiences for their youth and volunteers. As our funds continue to grow in number, size, and purpose, the BSA Foundation becomes a more powerful force in the lives of America's youth and in communities from coast to coast. We also had an exciting year of great donor VIP events, including those at the Indy 500, the new Bush Presidential Library, and the first national Scout jamboree at our own property, the Summit, in West Virginia.

This was my last year as chairman, but I look forward to the great leadership of my successor, Craig Fenneman. Let us know how we can help you and your family create a legacy for Scouting and the other deserving charities you support. After all, this IS the Foundation for Scouting's future.

Howard Bullock

Chairman of Trustees, BSA Foundation

A close-up, artistic photograph of a person's hair, showing a mix of dark brown and blonde strands. The hair is slightly out of focus, creating a soft, textured background. A black horizontal bar is overlaid on the top portion of the image, containing the main title in white text.

A Foundation to Meet Scouting's Challenges

In more ways than one, this is the Foundation for Scouting's future. Many local councils are experiencing financial distress or fiscal challenges. Only with strong councils can Scouting continue to be successful, and that council strength requires great fundraising resources and expertise. **The Foundation can help.**

Leading the Philanthropic Culture for Scouting

For a charity to be great, it must create and maintain a culture of giving that is relevant, useful, and supportive of what donors want. This means:

- Encouraging donors to pursue their passions, vision, and love for what they want to support
- Helping match donors' passions and vision with Scouting's critical and innovative priorities and initiatives
- Focusing on long-term relationships with those who support Scouting, not short-term transactions built around a single gift
- Serving as "donor concierge" for the whole Scouting experience, and providing unique, fun recognition and VIP activities

The Foundation can help.

Addressing the Challenges of Social Change

The dynamics of the American family have changed dramatically—and the challenges of participating in Scouting have changed also. Scouting depends on volunteers, parents, and community-based organizations. But consider some of the changes:

- Today, 35 percent of children live in single-parent homes, compared to 9 percent in 1960.
- As of 2013, 48 percent of first children were born to unmarried women.
- Children spend 4.5 hours per day watching TV, playing video games, or using a mobile device or computer.
- Since 1997, children's outside play and activities have dropped by 50 percent.

The Foundation can help.

Relevance Requires Resources

Even though youth retention in Scouting has climbed in recent years, membership growth has been difficult. In turn, these trends make growth in staffing and programming difficult. Additionally, competition for charitable support has become fierce. Consider:

- Nearly 25 percent of local councils are understaffed relative to the available youth they are responsible for serving.
- More than one-third of local councils have insufficient assets to meet all of their operating needs.
- Since 1998, approximately 50,000 new charities open their doors each year.

The Foundation has raised more than \$20 in new major gifts for every \$1 invested in its personnel. We want to do the same for councils, improving their short- and long-term fiscal health so they can recruit and retain youth and adults and provide quality programs, facilities, and services.

The Foundation can help.



Funds Offered by the Foundation

Here are some of the most effective types of funds we use to help our donors match their passions with their financial plans and needs:

- **Donor Advised Funds** are one of the fastest-growing types of personal and family philanthropy. Donors make gifts now, but can decide later which charities (Scouting and non-Scouting) will benefit from their funds. These funds are highly efficient alternatives to family foundations.
- **Endowments and Donor-Directed Funds** establish resources for a specific council, project, or facility. Endowments are usually more permanent. Donor-directed funds tend to be short-term and flexible. Both types may expend both income and principal as the donor wishes.
- **Scholarships and Camperships** provide need-based and merit-based support to help cover the costs of camping, jamborees, high-adventure experiences, and the spiraling costs of higher education. These gifts are among the greatest incentives for youth and their families to join and remain involved in Scouting.
- **STEM, Innovation, and Hard-to-Serve Scouting Funds** are some of the most important funds for Scouting—and for the country. It's not just about attracting youth to STEM education and using creative program delivery. It's about the challenge of serving youth from the inner cities of Detroit and New York, from Native American and Alaskan families, and from isolated communities and islands of the Pacific Basin.

Gifts Supported by the Foundation

For many donors, gifts from assets—not from cash flow—represent the best and most effective gifts. Beyond the impact of cash and checks, we regularly encourage and accommodate gifts of:

- Stocks, bonds, and real estate
- Insurance and IRA distributions
- Gift annuities
- Charitable trusts
- Artwork, antiques, and collectibles
- Interests in oil and gas, partnerships, and life estates

Estate gifts through wills and bequests also can effectively impact Scouting. The Foundation promotes the principles of values-based wealth planning. Our focus is on intergenerational transfers of values—not just valuables.

Our Investors—Our Future

Gifts to or through the BSA Foundation are investments in the future of America and its youth. Our donors are trailblazers on the path to financial sustainability for Scouting. Beyond the obvious benefits provided by donors' gifts, we believe recognition is also important. We support and recognize three levels of donors:

- Second Century Society gifts at the \$100,000 level and above—these are gifts for operating, capital, or endowment to local councils or any aspect of Scouting.
- Lifetime Investors in Scouting—donors who have made documented gifts to Scouting, either locally or nationally, of at least \$500,000 during their lifetimes.
- Presidents Leadership Council—gifts of \$1 million or more made to or through the BSA Foundation (even if designated to a local council or other BSA entity).



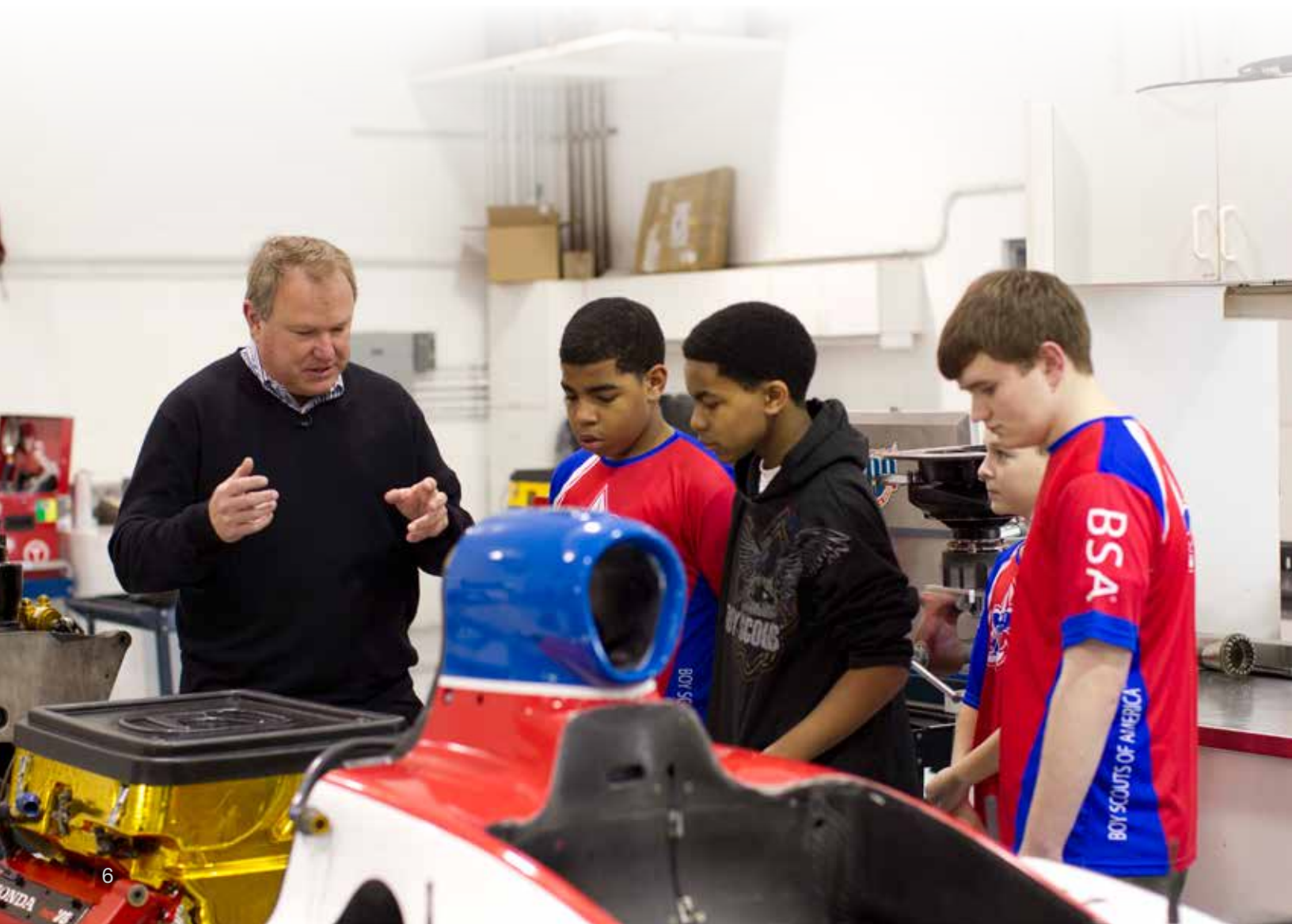
Our Thanks to Our Investors

We don't have 50-yard-line seats at homecoming, or front-row seats for the opening performances of the new season. But in 2013, we did have:

- Private receptions in homes in Naples, Florida, and Charlotte, North Carolina, and a special reception at the National Annual Meeting
- Private suites, pit passes, and timing stand access for the Indianapolis 500 and numerous other IndyCar Series and NASCAR events
- Early access to the new Bush Presidential Library and Museum in Dallas, with a VIP reception, dinner, and presentation from a renowned presidential historian
- Lodging, dinner, and evening receptions at the Manor Houses of Glade Springs for the national jamboree at the Summit; transportation to and from the Summit; a VIP dinner at The Greenbrier; and the biggest, best, and coolest VIP tent on site at the jamboree!

For 2014, we are planning many more notable activities, including a “Monuments Men” history tour of Paris. The trip also features a special celebration at Omaha Beach to commemorate the 70th anniversary of D-Day with the Scouts of the Transatlantic Council and a visit to the birthplace of Scouting, Brownsea Island in Poole, England.

Great Scouters, great gifts, and great recognition—an unbeatable combination.



The Foundation in Action

The Power of Partnership

The Blue Ridge Council began a relationship with the BSA Foundation in 2011 to help sharpen its focus on building the council's endowment. After initial work in developing the case for support and with the help of the Foundation, the council adopted a "targeted approach" to grow its endowment to \$12 million over time to meet strategic plan objectives. The council's executive board became energized about these efforts and in 2014 made a commitment to expand the relationship with the BSA Foundation by becoming a Premium Service Council.

The Blue Ridge Council has made tremendous progress in its efforts already. The announcement of a multimillion-dollar gift is coming soon, and that gift is the direct result of the Foundation's involvement with one of the council's donors. In addition, the council has already secured a six-figure gift from a key board member. Council leaders have made numerous cultivation visits with prospective donors and have developed a much-needed, disciplined approach for the stewardship of this effort.

The partnership with the BSA Foundation has been the key factor in the success of the council's early efforts and has proven to be the catalyst needed to make endowment efforts a priority.

Blue Ridge Council Scout Executive Mike Butler says, "I am confident that within a short time, we will achieve our objectives."

If a 13-Year-Old Boy Can Do It ...

In 2013, a devastating forest fire destroyed Spanish Peaks Scout Ranch, the heart of the camping program for the Santa Fe Trail Council. As the council announced fundraising efforts to recover and rebuild the camp, the first gift came from an unlikely source: a 13-year-old Scout visiting the council service center.

The Scout presented the council Scout executive with a \$10 bill. He said it was left over from his summer camp trading post money. He added: "I figured you needed it more than I do, so spend it on opening the camp in 2014, because I had great fun at the camp."

Following the lead of this \$10 gift, more than \$590,000 was raised from the communities close to the camp and from an additional fundraising campaign for new major gifts to the council. The BSA Foundation is proud to have contributed \$40,000 from its Council Emergencies Fund to help rebuild Spanish Peaks.

The multiplier effect—no gift stands alone, and every gift is a critical trail marker for others to follow—is often mentioned. Perhaps it says a lot about Scouting that a 13-year-old Scout was the first to mark the trail for the successful rebuilding of Spanish Peaks. The Foundation will continue to follow—and help others follow—the loyal, brave, thrifty, and kind example set by this Scout.



Foundation Funding Highlights for 2013

Program Support

\$685,857

from the Ed and Jeanne Arnold Advised Fund to the Grand Canyon Council and Pennsylvania Dutch Council to provide Scouting to disadvantaged and inner-city youth around Phoenix and in Lancaster/Lebanon, Pennsylvania.

\$478,546

from the Larry and Brenda Potterfield Fund. In 2013, 23 councils received funding to increase the number of new shooting experiences for Scouts and the number of shooting-based merit badges earned by Scouts.

\$361,125

from the ExxonMobil Nova Awards Fund for the support of the BSA's STEM initiatives, scholarships, and awards program.

\$153,000

from the Doug W. Cook Memorial Fund to support the Water and Woods Field Service Council in Michigan.

\$51,000

from the Milt and Adele Ward Fund for general support of Scouting in Tucson, Arizona, and Albuquerque, New Mexico.

Scholarships

\$134,000

from the Hansen and Mary Hall Scholarship Fund for college scholarships to Eagle Scouts.

\$63,000

from the Belcher Eagle Scholarship Fund for college scholarships to Eagle Scouts from councils in San Diego; Pasadena, California; and Appleton, Wisconsin.

\$24,450

from the Martha Gaines and Russell Wehrle Memorial Foundation Summit Campership Fund to send 28 Scouts from the Buckskin Council to the 2013 National Scout Jamboree.

Centennial Coin Fund Grants

\$686,201

from our Centennial Coin Fund to support 33 councils in their efforts to extend Scouting into hard-to-serve areas.

Regional Funds

\$317,650

from regional funds to support various initiatives and needs in numerous councils, as recommended by the regional trust committees of the four regions.

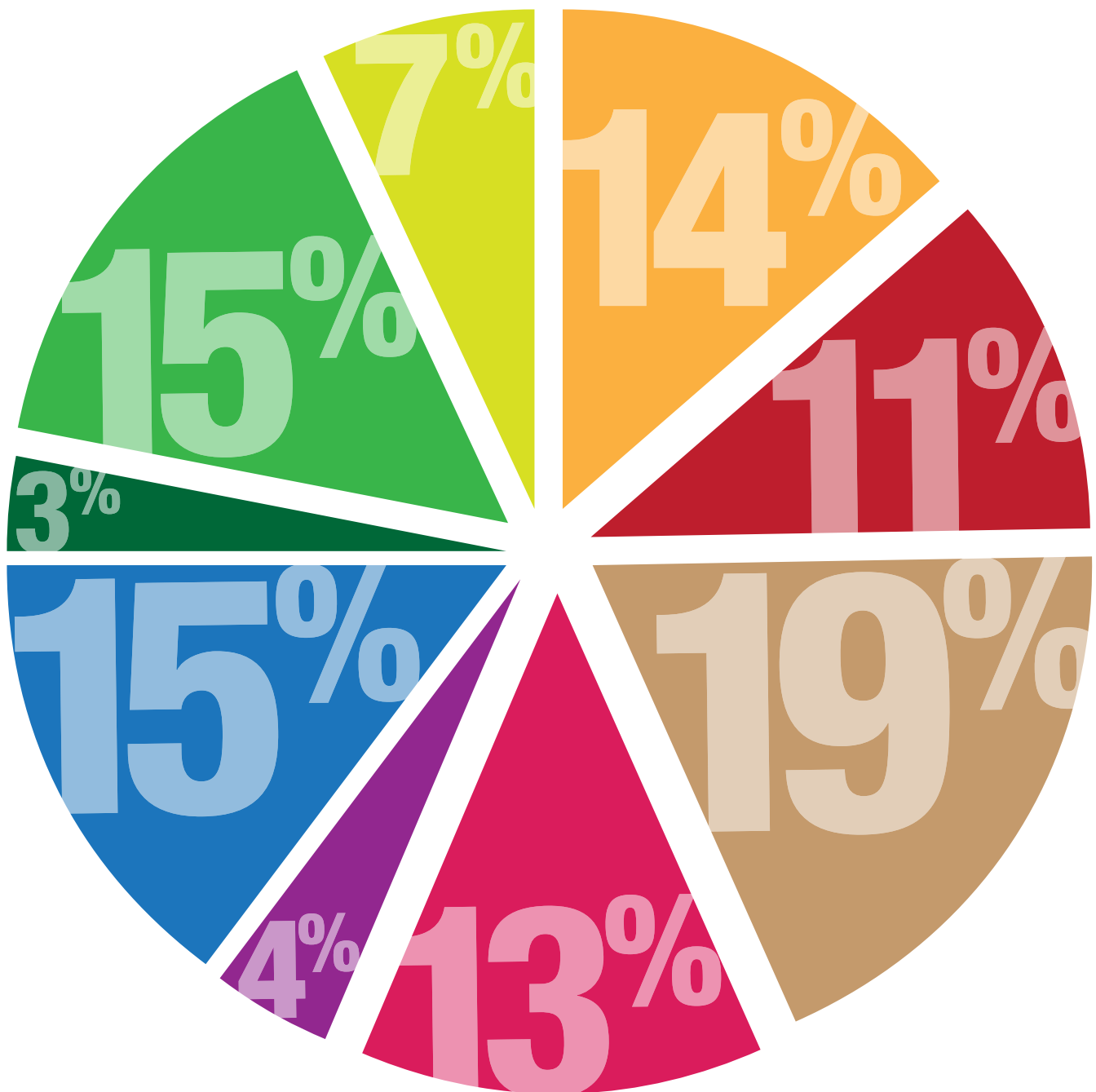
\$122,500

from the BSA Innovation Grant Fund to support STEM, developing community relationships, and advancing youth leadership in underserved markets specifically for the Three Fires Council, Northeast Illinois Council, Des Plaines Valley Council, and Chicago Area Council.

BSA Foundation Fund Categories 2013

Total Funds (as of December 31, 2013): \$77,418,129

Total Fund Distributions for 2013: \$9,605,773



- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ■ Charitable Remainder Trusts
\$10,705,943 ■ Gift Annuities
\$8,257,614 ■ Donor-Advised Funds
\$14,573,518 | <ul style="list-style-type: none"> ■ Other Specific Purpose Funds
\$10,116,977 ■ Scholarships
\$3,141,807 ■ Regional Funds
\$11,461,473 | <ul style="list-style-type: none"> ■ Emergency and Discretionary Funds
\$2,431,734 ■ National Scouting Museum Funds
\$11,305,600 ■ World Scouting Funds
\$5,423,463 |
|---|---|---|

Does not include pooled fund assets. These assets are overseen and administered by the Foundation but held by the Boy Scouts of America.

Special Foundation Funds for Scouting

Enhanced Service Models for Council Support

While the Foundation continues to support all local councils in their major gift and endowment efforts, we offer three service models to greatly enhance our effectiveness and get higher-quality results from our major gift efforts:

1. **Premium Services:** These allow individual councils to contract for priority, exclusive, on-site gift-consulting services for a set number of days or weeks.
2. **Shared Services:** Two or more local councils contract for these priority gift-consulting services; the participating councils share the cost for the services.
3. **Market-Based Services:** A dedicated major gift officer who lives and works in a major market provides priority gift-planning services to councils in that market. The Foundation shares the cost of this dedicated major gift officer with the councils that agree to be part of the market-based partnership.

Councils participating in our enhanced service models also receive priority invitations to BSA Racing events and other donor cultivation activities, as well as free or reduced registration costs for our major gift seminars.

Centennial Coin Grant Program

Using funds from the sale of BSA Centennial silver dollars and under the directive of a congressional mandate, the Foundation distributed \$686,201 to 33 local councils in 2013 under this grant program. These grants extended Scouting programs to America's hardest-to-serve youth, and the councils that were awarded these grants combined innovative delivery systems and best practices to reach underserved communities.

Potterfield Grant Program for Shooting Sports

Thanks to the generosity of Larry and Brenda Potterfield, a new fund was developed to support and improve the shooting sports programs of local councils. In 2013, we distributed \$478,546 to 23 local councils specifically to increase the numbers of new shooting experiences for Scouts and shooting-based merit badges earned.



Innovation Grant Fund

Built on a generous gift from Michael LoPresti and his family, this fund was created to support some of Scouting's most innovative initiatives in four fields: STEM programs and facilities; developing new, stronger community relationships; high-adventure programs; and advancing youth leadership in underserved communities.

Second Century Society

Replacing the 1910 Society and Founders Circle and in honor of Scouting's next 100 years, the Second Century Society is our most broad-based major gift recognition. Gifts may go directly to any local council or Scouting entity, and may be used for operating, capital, or endowment. Gifts in this category are at least \$25,000 outright or paid within five years or \$100,000 if deferred, and these donors are recognized by the BSA council or entity receiving the gift.

Higher levels also receive recognition directly from the BSA Foundation. Those levels include:

- Outright gifts of \$100,000 or more (Members With Distinction)
- Deferred gifts of \$500,000 or more (Legacy Members)
- Paid, lifetime gifts to Scouting of at least \$500,000 (Lifetime Investors)

These donors receive special recognition items; invitations to exceptional VIP events, receptions, and dinners; and other exclusive opportunities of access.

Presidents Leadership Council

The Presidents Leadership Council provides an opportunity for Scouting's most generous donors to provide input, ideas, and suggestions for the BSA's fundraising priorities. It recognizes gifts to or through the BSA Foundation at four levels, starting with a minimum gift of \$1,000,000. These gifts may be paid over a five-year period and can be used for any BSA entities or initiatives, local or national, as selected by the donor. These donors receive personal, customized recognition, and exceptional opportunities of access, fellowship trips, and much more.

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J. Robert "Bob" and Diane Coleman
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Craig and Mary Fenneman
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