

2012

ANNUAL REPORT



BOY SCOUTS
OF AMERICA®
NATIONAL FOUNDATION

Prepared. For Life.®



FOUNDATION OVERVIEW FOR 2012

In 2012, some of our most significant grants again came from our Centennial Coin Fund Grants program. These funds were from the sales of BSA silver dollars in 2009 and committed to extend Scouting into hard-to-serve areas. Last year, 14 councils received large grants totaling almost \$600,000, and 11 other councils received a total of \$32,500 in smaller grants. Most importantly, these grants have made an impact. The average membership increase in these priority markets was almost *three times higher* for councils receiving Coin Grant funds compared to councils not receiving them.

We continued recognizing our “Lifetime Investors” into the Second Century Society—for donors who have made cumulative, lifetime gifts to Scouting of \$500,000 or more. This was part of our Society restructuring that included adding new regional and major market chairmen. We had three great recognition events for our Society members: in Naples, Florida, in February; in Orlando, Florida, in May as part of the National Annual Meeting; and at the Naval Academy in Annapolis, Maryland, in October. What a treat to recognize these donors who are so critical to the future of Scouting!

Thanks again to Dale and Gail Coyne and the Dale Coyne Racing team for their great generosity in

sponsoring the BSA race car in the IZOD IndyCar Series. They again showed tremendous hospitality to the Foundation’s donors and friends at several races, including a great Indianapolis 500 event. With the BSA Racing initiative expanding into NASCAR, we look forward to also supporting the Scott Lagasse Racing team events in 2013.

Our major gifts training initiative continues to grow as well. We had some great training sessions for volunteers and council staff at the Florida Sea Base, finance symposiums in Orlando and Seattle, and supported local council board training at Philmont and elsewhere. We’re also proud of the manpower and funding we provided in support of Scouting’s largest council merger in history, the Michigan Project.

Finally, thanks to our Treasury Department and the BSA’s Finance and Investment Committee for their stewardship of our assets. Our portfolio of charitable remainder trusts had an investment return of 11.7 percent, and our other advised funds, scholarships, and grant funds had a return of 13 percent. Great investment performance, added to the generosity of many wonderful donors, makes a big difference for Scouting. Thank you!



Foundation trustee Glenn Adams was one of dozens of BSA Foundation donors who enjoyed our BSA Racing VIP Experience at the Indy 500.

FOUNDATION FUNDING HIGHLIGHTS FOR 2012

PROGRAM SUPPORT

\$577,000

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, Arizona, and Lancaster/Lebanon, Pennsylvania.

\$88,240

From the Adele Ward Advised Fund to send 30 top Scoutreach/All Markets BSA professionals to the 2012 National Annual Meeting.

\$358,000

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

\$51,000

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

\$50,000

From the Douglas Cook Memorial Fund in support of the Water and Woods Field Service Council, Lansing, Michigan, for improvements to the camp and camperships.

\$20,000

From the Jana and David Hedman Family Advised Fund to Ventura County (California) Council for general support.

SCHOLARSHIPS

\$63,000

From the Donald and Marie Belcher Scholarship Fund for college scholarships to Eagle Scouts from the Pasadena, California; San Diego, California; and Appleton, Wisconsin, areas.

\$84,000

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

\$3,242

From the Al and Chris Hanna Scholarship Fund for college scholarships to Eagle Scouts in the Weston, Wisconsin, area.

REGIONAL FUNDS

\$302,574

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

EMERGENCY FUNDS AND DISASTER RELIEF

\$140,000

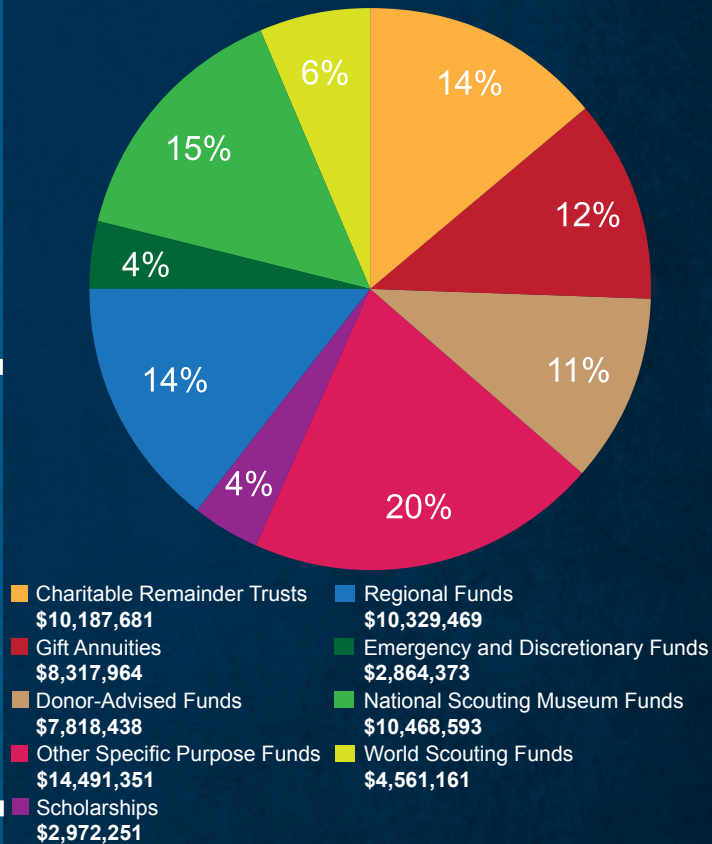
In emergency funds to 15 local councils, part of a multiyear commitment to hire or retain some of the BSA's most critical staff—unit-serving executives.

CENTENNIAL COIN FUND GRANTS

\$630,000

From the sales of our centennial silver dollar to support councils in extending Scouting to hard-to-serve areas.

BSA FOUNDATION FUND CATEGORIES 2012



TOTAL FUNDS

(as of Dec. 31, 2012): **\$72,010,281**

TOTAL FUND DISTRIBUTIONS FOR 2012:

\$6,490,248

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

2012 FOUNDATION PRIORITIES AND GROWTH

ENHANCED SERVICE MODELS FOR COUNCIL SUPPORT

While the Foundation continues to support all local councils in their major gift and endowment efforts, we developed three new 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 and split among them 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 splits the cost of this dedicated major gift officer with the councils who 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.

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 2012, we distributed almost \$500,000 to 22 councils so they could increase the number of new shooting experiences for their Scouts and the number of new shooting-based merit badges earned.

INNOVATION GRANT FUND

Started with a generous gift from Michael LoPresti and his family, this vital new fund was started to support some of Scouting's most important and innovative initiatives in the delivery of: 1) STEM programs and facilities; 2) developing community relationships; 3) high-adventure programs; and 4) developing youth leadership in underserved communities.

SECOND CENTURY SOCIETY REGIONAL CHAIRMEN

The Foundation appointed regional Second Century Society chairmen, charged with promoting the Society throughout their regions. These chairmen help us organize donor events and activities in some of Scouting's major markets, encourage their peers to make new gifts and join the Society, and recruit major-market chairmen to assist them in these tasks. We have received some great new gifts and hosted some outstanding events through their efforts.

PRESIDENTS LEADERSHIP COUNCIL GIFTS

We made some very special presentations to our members of the Presidents Leadership Council, recognizing many of them at local events or small gatherings at their homes in appreciation for their gifts of \$1 million or more. Each member received a beautiful bronze sculpture of Rockwell's "Scoutmaster," a cast statue of Rockwell's "A Proud Moment," and a giclee copy of a Rockwell painting selected by each donor.

DONOR AND CHARITABLE GIFT SERVICES

We offer and accommodate many types of gifts to support the needs of our donors, families, and advisors:

DONOR-ADVISED FUNDS

These are among the most popular charitable giving tools for donors and their families. Once the fund is established, donors may recommend annual distributions to local councils, Scouting programs, and even to non-Scouting charities. These are outstanding alternatives to a family foundation and can accomplish numerous philanthropic goals for donors and their families.

GIFT ANNUITIES

These popular types of gifts allow donors to give stock or cash to Scouting and, in return, receive lifetime payments (that are part tax-free) and other tax benefits. Gift annuities may also be deferred to start at a future date of the donor's choice.

GIFTS OF STOCKS AND LAND

Gifts of stock, bonds, and real estate, both developed and undeveloped, can be highly effective ways to make a gift. If the assets have appreciated in value, they often avoid capital gains and make it possible to make a major gift at a

minor cost. Gift property not needed for program needs is sold so the proceeds may be used for them.

CHARITABLE TRUSTS

The Foundation provides sample documents and can serve as trustee for many charitable remainder trusts and charitable lead trusts. These trusts provide immediate tax-deduction benefits, annual income to beneficiaries, and a remainder gift for the Boy Scouts of America (or other charities) when the trust ends.

MAJOR GIFT PLANNING

We also work with local councils and donors on a wide range of other highly effective types of gifts, including bequests, life estates, beneficiary designations for IRAs and insurance policies, and collectibles such as coins and stamps. We also believe that preserving family values and ethics is every bit as important as preserving estate values.

For more information on these and other types of gifts and philanthropic opportunities, please contact the BSA Foundation.

SELECTED GIFT HIGHLIGHTS

In 2012, we received some particularly interesting gifts in support of Scouting, including the following:

- 110 acres of beautiful land in the heart of Napa Valley, California (\$1.3 million)
- A historic, commercial building in downtown Aurora, Illinois, to house an urban BSA leadership center for Scoutreach youth (\$700,000)
- A national grant fund for local council shooting sports programs (\$500,000)
- A national grant fund for STEM and innovation for four councils in Illinois (\$150,000)
- A donor-advised fund distributing three-quarters of its funding to the council in Bethesda, Maryland, and the other quarter to the Foundation for STEM programs (\$100,000)
- A trust gift to benefit both Philmont and the BSA Foundation endowment (\$1.2 million)



SECOND CENTURY SOCIETY

The Second Century Society is one of our most important donor recognition groups. It was started in 2010 to honor the start of Scouting's next 100 years, replacing the Founders Circle and 1910 Society donor groups.

To qualify, donors make a gift to any Scouting entity (e.g., local councils, Philmont, the BSA Foundation), and the gift may be used for operating, capital, or endowment. The minimum gift to qualify is:

- An outright gift of \$25,000 or more, payable over five years, or
- A deferred gift of \$100,000 or more (e.g., bequest, IRA, insurance, trusts)

Donors making outright gifts of \$100,000 or more are designated as Second Century Society "Members with Distinction." Donors making deferred gifts of \$500,000 or more are designated as Second Century Society "Legacy Members." Members in these categories receive special recognition items and invitations to BSA Foundation events, special dinners, and other exclusive opportunities for access. Additional recognition levels are available as well.

PRESIDENTS LEADERSHIP COUNCIL

The mission of the Boy Scouts of America's Presidents Leadership Council is to provide input, ideas, suggestions, and financial support for the BSA's approved fundraising priorities. A gift of \$1 million or more, payable over five years, to the BSA Foundation in support of an approved local and/or national initiative is required to participate.

Below are the members of the Presidents Leadership Council for 2012:

Bruce Abernethy
Ed and Jeanne Arnold
Norman and Meg Augustine
Troy and Jill Bancroft
Stephen and Betty Bechtel
Donald and Marie Belcher
Howard and Cristi Bulloch
Paul and Muffy Christen
John Clendenin
J. Robert "Bob" and Diane Coleman
John and Jan Creighton
Rick and Janet Cronk
John and Jeanine Cushman
Craig and Mary Fenneman
Mike and Gillian Goodrich
John and Carmen Gottschalk

Albert and Chris Hanna
Robert Harrington
Harold and Joanne Hook
Richard and Phyllis Leet
Thomas and Peggy MacAvoy
Wayne and Christine Perry
Charles and Yvonne Pigott
Roy and Maureen Roberts
Henry A. Rosenberg Jr.
Edmund and Beatriz Schweitzer
Walter and Suzanne Scott
Robert and Cherry Anne Sutherland
Rex and Renda Tillerson
Adele Ward
Edward and Linda Whitacre

Board of Directors

Wayne M. Perry, President
Rex W. Tillerson, Vice President
B. Howard Bulloch, Vice President
Henry A. Rosenberg Jr., Vice President
Matthew K. Rose, Vice President, Development
Terrence P. Dunn, Vice President, Operations
Aubrey B. Harwell Jr., Treasurer
Wayne Brock, Secretary
Bradley D. Farmer, Assistant Secretary

Foundation Trustees

Glenn Adams
Howard Bulloch
Craig Burkhardt
J. Robert Coleman Jr.
Peter Collins
William F. Cronk
John C. Cushman III
Douglas Dittrick
Terrence P. Dunn
Tom Edwards
Craig Fenneman
J. Brett Harvey
Aubrey B. Harwell Jr.
Dave Hedman
Brian Kasal
Arthur Landi
Michael LoPresti
James Morris
Doyle Parrish
Wayne M. Perry
Henry A. Rosenberg Jr.
James Ryffel
Mary Stevens
Rex W. Tillerson
Charles Walneck
Ronald Yocum

Foundation Advisory Committee

Norman R. Augustine
Allen D. Brown
Anderson Chandler
Keith A. Clark
John W. Creighton Jr.
R. Michael Daniel
Gary D. Forsee
Robert J. LaFortune
Richard H. Leet
Thomas C. MacAvoy
J. Willard Marriott Jr.
Drayton McLane Jr.
Glen McLaughlin
Paul Moffat
S. Carl Nicolaysen
Aubrey B. Patterson
Charles M. Pigott
Roy S. Roberts
Charles A. Sted
John W. Thomas Jr.
Joe W. Walkoviak
E.W. Wendell

Scout Executive Advisory Panel

Les Baron, Bethesda, Md.
John Cabeza, Denver, Col.
Michael De Los Santos, San Antonio, Texas
Dennis Kohl, Florham Park, N.J.
Eric Magendantz, Omaha, Neb.
Kendrick Miller, Kansas City, Mo.
Ron Oats, Apopka, Fla.
James Rushton, Van Nuys, Calif.

BSA Foundation Staff

Chris Blum, CFRE, Major Gifts Director
Dustin Farris, Major Gifts Director
Colin V. French, J.D., LL.M., Administration/
Legal Services
Drew Glassford, Major Gifts Director
Stacy Huff, Director
Victor A. Korelstein, CFRE, Major Gifts Director
Robin Kresge, Administrative Assistant
Chris Redo, CFRE, Major Gifts Director
Diane Smith, Donor Relations Administrator