2024
CONSOLIDATED FINANCIAL STATEMENTS

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BOY SCOUTS OF AMERICA®

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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 statements of financial position as of December 31, 2024, and the related consolidated statements 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, 2024, 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

May 21, 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2024 (In thousands) Boy Scouts of America

Assets	
Cash and cash equivalents	$ 247,192
Investments, at fair (Note 2)	241,171
Accounts receivable, less allowance of $219	7,859
Pledges receivable, less discount of $4,436 (Note 4)	20,914
Other receivables	523
Gift annuities	3,179
Prepaid and deferred charges	34,211
Inventories, less provision for obsolescence of $11,602	30,568
Land, buildings, and equipment, net (Note 5)	409,509
Right-of-use assets- net operating (Note 7)	14,880
Other	6,644
Total assets	$ 1,016,650
Liabilities and Net Assets	
Accounts payable and accrued liabilities	$ 77,380
Gift annuities	3,179
Lease obligation - operating (Note 7)	14,880
Unearned fees and subscriptions	110,054
Notes payable including line of credit (Note 6)	328,659
Claims and other reserves (Note1)	6,109
Total liabilities	540,261
Commitments and contingencies (Note 1 and 7)	
Net assets:	
Without Donor Restrictions (Note 8):	
Controlling interest:	
General operations	(202,769)
Board-designated	327,892
Total without donor restrictions—controlling interest	125,123
Noncontrolling interest (Commingled Endowment LP)	127,156
Total without donor restrictions	252,279
Total with donor restrictions (Note 9)	224,110
Total net assets ….	476,389
Total liabilities and net assets	$ 1,016,650

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

Year ended December 31, 2024 (In thousands) Boy Scouts of America

	Without Donor Restrictions (Note 8)	With Donor Restrictions (Note 9)	Total
Revenues:			
Fees (Note 10)	$ 158,503		$ 158,503
Supply operations—sales	74,759		74,759
Cost of sales and expenses	(74,209)		(74,209)
	550		550
Magazine publication—sales	5,134		5,134
Cost of production and expenses	(4,395)		(4,395)
	739		739
Contributions and bequests	10,929	$ 70,754	81,683
Other—including trading post sales	15,905		15,905
Cost of sales and expenses	(5,161)		(5,161)
	10,744		10,744
Total revenues before net investment income	181,465	70,754	252,219
Investment income, net of fees	1,150	8,958	10,108
Revenues, net	182,615	79,712	262,327
Net assets released from restrictions:			
Donor restrictions satisfied	52,212	(52,212)	
Expenses:			
Program services:			
Field operations	26,875		26,875
Human resources and training	6,337		6,337
Program development and delivery	87,905		87,905
Program marketing	7,638		7,638
World Scout Bureau fees	1,608		1,608
Insurance programs—losses and costs (Note 1)	38,494		38,494
Premiums	(5,153)		(5,153)
	33,341		33,341
Total program services	163,704		163,704
Supporting services:			
Management and general	59,129		59,129
Fundraising	3,397		3,397
Total supporting services	62,526		62,526
Total expenses	226,230	0	226,230
Change in net assets—controlling interest	8,597	27,500	36,097
Change in net assets—noncontrolling interest (Commingled Endowment LP)	(16,248)	0	(16,248)
Change in net assets	(7,651)	27,500	19,849
Net assets, beginning of the year	259,930	196,610	456,540
Net assets, end of year	$ 252,279	$ 224,110	$ 476,389

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024 (In thousands) Boy Scouts of America

	PROGRAM SERVICES			
	Field Operations	Human Resources and Training	Program Development and Delivery	Program Marketing
Salaries	$ 8,479	$ 3,577	$ 44,889	$ 2,713
Benefits	3,815	1,236	13,953	881
Travel	229	16	1,369	49
Office expense and occupancy	5,128	633	16,065	662
Depreciation and amortization	435	43	13,690	27
Insurance losses and costs				
Premiums				
Net insurance programs				
Jamboree (world/national)				
All other expenses	8,789	938	42,083	3,244
Allocated expenses[1]	0	(106)	(44,144)	62
Total expenses	$ 26,875	$ 6,337	$ 87,905	$ 7,638

	PROGRAM SERVICES			
	World Scout Bureau Fees	Insurance Programs	Product Sales Cost of Sales	**Total Program Services**
Salaries				$ 59,658
Benefits				19,885
Travel				1,663
Office expense and occupancy				22,488
Depreciation and amortization				14,195
Insurance losses and costs		$ 38,494		38,494
Premiums		(5,153)		(5,153)
Net insurance programs		33,341		33,341
Jamboree (world/national)				
Cost of goods sold – scout shop & trading post			$ 36,038	36,038
All other expenses	$ 1,608			56,662
Allocated expenses[1]			(36,038)	(80,226)
Total expenses	$ 1,608	$ 33,341	$ 0	$ 163,704

	SUPPORTING SERVICES			
	Management and General	Fundraising	**Total Supporting Services**	**Total Expenses**
Salaries	$ 15,336	$ 2,122	$ 17,458	$ 77,116
Benefits	4,817	678	5,495	25,380
Travel	296	145	441	2,104
Office expense and occupancy	2,715	372	3,087	25,575
Depreciation and amortization	10,070	5	10,075	24,270
Insurance losses and costs				38,494
Premiums				(5,153)
Net insurance programs				33,341
Jamboree (world/national)				
Cost of goods sold – scout shop & trading post				36,038
All other expenses	27,910	51	27,961	84,623
Allocated expenses[1]	(2,015)	24	(1,991)	(82,217)
Total expenses	$ 59,129	$ 3,397	$ 62,526	$ 226,230

[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 statement of activities.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2024 (In thousands) Boy Scouts of America

Cash Flows from Operations:	
Change in net assets	$ 19,849
Adjustments to reconcile change in net assets	
to net cash and cash equivalents provided by operations:	
Depreciation and amortization	24,390
Net realized and unrealized losses on investments	(9,779)
Interest and dividends reinvested	(932)
Increase in line of credit financing	3,999
Contributions to the permanently restricted endowment	(5,391)
Contributions restricted for capital expenditures and debt service	(1,679)
Non-cash operating lease expense	(1,566)
Net losses on disposal of land, buildings, and equipment	9,874
Changes in assets and liabilities:	
Decrease in accounts receivable	5,190
Decrease in pledges receivable	2,563
(Increase) in other receivables	(14)
Decrease in inventories	9,881
Decrease in prepaid charges/other assets/gift annuities	485
(Decrease) in accounts payable/accrued liabilities/gift annuities	(2,781)
Increase in unearned fees and subscriptions	17,189
(Decrease) in operating lease liabilities	(2,132)
Increase in claims and other insurance reserves	1,230
Net cash and cash equivalents provided by operations	70,376
Cash Flows from Investing:	
Additions to land, buildings, and equipment	(8,085)
Proceeds from the sale of investments	329,708
Purchases of investments	(290,597)
Net cash and cash equivalents provided by investing activities	31,026
Cash Flows from Financing:	
Repayment of debt	(39,965)
Contributions from non-controlling interest	9,089
Distributions to non-controlling interest	(33,301)
Contributions to the permanently restricted endowment	5,391
Contributions restricted for capital expenditures and debt service	1,679
Net cash and cash equivalents (used in) financing activities	(57,107)
Increase in cash and cash equivalents	44,295
Cash and cash equivalents, beginning of the year	202,897
Cash and cash equivalents, end of year	$ 247,192
Supplemental Cash Flow Information:	
Interest paid	$ 13,025
Gifts-in-kind	196

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

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

Note 1. Organization, Going Concern, Litigation and Summary of Significant Accounting Policies

The major activities of the Boy Scouts of America, National Council are providing 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, 2024. The program is funded by payments received from the National Council, local councils, and chartered units. Premiums received during 2024 for this program were $4,136 and insurance losses, costs and provision expense were $36,728. On the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets, which includes the stated insurance losses and costs total, is $1,766 of insurance losses and costs from other insurance programs. Similarly, $1,017 is included in premiums revenue from other insurance programs.

The GLIP contains $37,366 of investments, receivables, and other assets for net assets of $37,366 as of December 31, 2024. 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.

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.

Notes to Consolidated Financial Statements ($ stated in thousands)

The table reflects the National Council's financial assets as of December 31, 2024, 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:

	2024
Cash and cash equivalents	$ 247,192
Investments	241,171
Account receivable	7,859
Pledges receivable	20,914
Total Financial Assets	517,136
Noncontrolling interest	(127,156)
Endowment with donor restrictions	(152,209)
Pledges receivable due in greater than one year	(8,135)
Financial assets available to meet cash needs for general expenditures within one year	$ 229,636

The National Council continues to fund its operations subsequent to the balance sheet. Furthermore, the National Council has a board-designated endowment of $1,677 as of December 31, 2024. As of the date of this report, an intercompany loan from the Foundation of $35,310, which is eliminated in consolidation of the financial statement will be used to fund operations 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. Financial instruments include cash, investments, accounts and pledges receivable, accounts payable, and debt. Cash, investments, accounts receivable, accounts payable, and debt are deemed to be stated at their fair values.

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

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, 2024 inventories are valued using the weighted average cost method, respectively. 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 provided over the estimated useful lives of the related assets using the straight-line method. Estimated useful lives for financial reporting purposes are as follows: buildings and improvements, 10 to 40 years; computer software and hardware, 3 to 10 years; and furniture, fixtures, and other equipment, 3 to 10 years. Land improvements are depreciated over 20 years. Leasehold improvements are amortized over the lesser of the lease term or the life of the asset. Construction in progress is not depreciated until placed into operation.

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

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

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

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

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.

At December 31, 2024, there were three endowment funds with an aggregate deficiency of $45.

	2024
Fair value of endowment funds	$ 5,675
Original/accumulative endowment gift amount	(5,720)
(Deficiencies) of endowment funds	$ (45)

Leases. ASC 842 requires that, for leases longer than one year, a lessee recognize in the Balance Sheets 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, 2024, the National Council has a cumulative net operating loss of approximately $36,402. 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, 2024.

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, 2024, 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 of 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, 2024, investments comprised the following:

	Level 1	Level 2	Level 3	Total
Short-term investment funds and treasury bills	$ 94	$ 11,073	$ 0	$ 11,167
Debt securities				
Government	0	19,715	0	19,715
Corporate	0	16,404	0	16,404
Other	0	16,386	0	16,386
Total debt securities	0	52,505	0	52,505
Equity securities				
Common stocks—domestic	7,809	3,647	0	11,456
Common stocks—foreign	20,158	4,585	0	24,743
Total equity securities	27,967	8,232	0	36,199
Investments measured at net asset value[1]				141,300
Total investments	$ 28,061	$ 71,810	$ 0	$241,171

[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 2024.

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, 2024:

2024

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	$ 53,098	56	2 to 9 years	$ 7,811	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	63,382	19	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.	24,820	2	1 to 2 years	2,194	0 to 1 year
	Total	$ 141,300	77		$ 10,005	

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.

Net investment income on the Consolidated Statement of Revenues, Expenses, and Other Changes in Net Assets includes $10,421 of interest and dividends, $20,440 of net realized gains, and $11,281 of unrealized losses in the fair value of investments less $1,509 in investment manager expenses. Included within the change in net assets attributed to noncontrolling interests is net investment income pertaining to the local councils' limited partner interest within the Partnership which for 2024 includes $4,079 of interest and dividends, $4,528 of net realized gains, and $307 of unrealized gains in the fair value of investments less $951 in investment manager expenses.

The National Council participated in a securities lending program with its custody bank, State Street Bank & Trust, until December 2023. Due to the impending change of custody bank (effective January 1, 2024), any securities on loan were recalled prior to December 29, 2023. The National Council intends to participate in a securities lending program with the new custody bank, The Northern Trust Company. This program allows the custody bank to loan securities, which are assets of the National Council, to approved brokers. In the event of a default by the borrower, State Street shall indemnify the National Council by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities are not able to be purchased, State Street shall credit the National Council for the market value of the unreturned securities. In each case, State Street would apply the proceeds from the collateral for such loan to make the National Council whole.

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, 2024, 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, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance December 31, 2023	$ 1,650	$ 119,211	$ 120,861
Investment return:			
Interest and dividends	1	4,524	4,525
Realized and unrealized investment losses	28	2,879	2,907
Investment manager fees	(2)	(526)	(528)
Net investment return	27	6,877	6,904
Contributions	0	34,563	34,563
Spending allocation	0	(262)	(262)
Net assets released from restriction	0	(4,284)	(4,284)
Other (net)	0	(3,896)	(3,896)
Balance December 31, 2024	$ 1,677	$ 152,209	$ 153,866

The National Council's endowment consists of approximately 109 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 March 31 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	$ 40,168
Less discount	(4,436)
Net unconditional promises to give (before allowance)	35,732
Less allowance	(14,818)
Net unconditional promises to give (after allowance)	$ 20,914

Amounts due in:	
Less than one year	$ 15,577
One to five years	9,637
More than five years	14,954
Total undiscounted pledges	$ 40,168

Pledges are evaluated for collectability and assigned a discount rate related to the risk of uncollectable amounts. The discount rates for valuing 2024 pledges ranged from 2.34 to 5.22 percent.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 5. Land, Buildings, and Equipment

At December 31, 2024, land, buildings, and equipment comprised the following:

National office, less accumulated depreciation of $14,394	$ 4,558
High-adventure bases, less accumulated depreciation of $41,386	58,117
National Distribution Center, less accumulated depreciation of $137	238
Summit Bechtel Family National Scout Reserve, less accumulated depreciation of $110,242	330,751
Furniture, equipment, and software, less accumulated depreciation and amortization of $96,326	15,845
Total land, buildings, and equipment, less accumulated depreciation and amortization of $262,485	$ 409,509

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

During the year ended December 31, 2024, the National Council undertook a comprehensive review of the estimated useful lives of its Property, Plant, and Equipment in order to ensure alignment with the organization's ongoing programs and services. This review led to revisions in the estimated useful lives of certain assets, to better reflect their anticipated use in supporting the National Council's mission.

The change in estimated useful lives was applied prospectively. This adjustment is intended to provide a more accurate depiction of the economic benefits these assets contribute to our programs over time.

The carrying amounts of the affected asset categories have been adjusted accordingly, with the revised estimated useful lives detailed below:

Shower houses included within the buildings and improvements category decreased from 40 years to 15.

Depreciation expense was $20,692 in 2024.

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 6. Notes Payable

Notes payable consists of the following at December 31, 2024:

	2024 Principal Payment	Interest Rate	Maturity Date	Outstanding at December 31, 2024
Converted Term Loan of $65,640	30,000	1.5% + SOFR	2033	35,640
Boy Scouts of America Settlement Trust of $86,060	0	5.5%	2033	86,060
2010 Bond issuance (Series B) of $50,000	0	3.22% fixed	2033	40,137
2012 Bond issuance of $175,000	0	2.94% fixed	2033	145,662
Term Loan of $11,250	0	1% + SOFR	2033	11,250
Core Value Note of $25,000	9,965		2025	9,910
National Boy Scouts of America Foundation Loan (intercompany eliminated in consolidation)	4,280	6.5%	2033	35,310
Total	$ 44,245			$ 363,969
National Boy Scouts of America Foundation Loan (intercompany eliminated in consolidation)	(4,280)		2033	(35,310)
Total	$ 39,965			$ 328,659

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.

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.

Notes to Consolidated Financial Statements ($ stated in thousands)

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 debt to holders of unsecured claims post-bankruptcy of $25,000 payable semi-annual payments.

Aggregate maturities of notes payable for each of the years subsequent to December 31, 2024, are as follows:

2025	$ 22,732
2026	19,074
2027	19,283
2028	19,499
2029 and thereafter ...	248,071
Total	$ 328,659

Interest incurred, capitalized, expensed, and paid during the year ending December 31, 2024, were:

Interest incurred	$ 17,556	Interest paid	$ 13,025
Interest expensed	$ 17,556		

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, 2024, the total costs associated with the National Council's leasing activities are as follows:

	2024
Operating lease cost	$ 4,453

Commitments

Future minimum rent payments under non-cancelable lease obligations with initial terms in excess of one year in effect as of December 31, 2024, are as follows:

Year Ending December 31,	Operating Lease
2025 …………………………..……	$ 4,338
2026 …………………………..……	4,229
2027 …………………………..……	4,112
2028…………………………..…	2,812
2029 …………………………..…	1,245
Total………………………..……	16,736
Unrecognized interest……………	(1,856)
Lease obligations….………..……	$ 14,880

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

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

	2024
Beginning balance	$ 17,012
Additions	617
Other adjustments	949
Buy-out	0
Amortization	(3,698)
Ending balance	$ 14,880

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

	2024
Beginning balance	$ 17,012
Additions	617
Other adjustments	949
Buy-out	0
Interest accretion	755
Lease payments	(4,453)
Ending balance	$ 14,880

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:

	2024
Weighted-average remaining lease term – operating leases	51 months
Weighted-average discount rate – operating leases	1.25%

Note 8. Net Assets Without Donor Restrictions

At December 31, 2024, unrestricted net assets with a controlling interest comprised the following:

General operations	$ (202,769)
Board-designated:	
Unrestricted Investments	1,677
Properties	276,037
Retirement Benefits Trust (Note 11)	6,981
Insurance Programs	38,307
Other	4,890
Total board-designated net assets	327,892
Total unrestricted net assets, controlling interest	$ 125,123

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, 2023	$ 116,526	$ 143,404	$ 259,930
Change in net assets	8,597	(16,248)	(7,651)
Net assets as of December 31, 2024	$ 125,123	$ 127,156	$ 252,279

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 9. Net Assets With Donor Restrictions

At December 31, 2024, restricted net assets comprised the following:

Permanently restricted net assets:	
National Scouting Museum (income supports museum operations)	$ 12,257
Waite Phillips Scholarship (income supports Philmont scholarships)	8,278
Cooke Eagle Endowment (income supports Eagle Scout scholarships)	6,960
Genevieve and Waite Phillips (income supports maintenance of Philmont)	6,790
Order of the Arrow Endowment Fund	4,984
Kenneth McIntosh (income supports Scouting around the world)	3,416
High adventure (income benefits high-adventure program)	3,367
Hall Scholarship (income supports Eagle Scout scholarships)	2,381
John W. Watzek Jr. (income supports general operations)	2,225
Sonia S. Maguire (income supports Philmont camperships)	2,215
Steve Fossett High-Adventure Base Endowment (income supports high-adventure bases)	2,189
Genevieve Phillips (income maintains Philmont Villa and grounds)	2,055
NESA Scholarship (income provides academic scholarships for Eagle Scouts)	1,958
Tridave Legacy Pledge (income supports Summit venues)	1,735
Northeast Region Main Trust Fund (income supports Northeast Region)	1,578
Summerfield Endowment (income supports general operations)	1,420
Robert E. Allen Endowment Fund (income supports general operations)	1,308
Hanna Eagle Scout Scholarship Fund (income supports Eagle Scout scholarships)	1,291
BSAF Endowment Fund (income supports Philmont Scout Ranch)	1,266
Other	26,009
Total permanently restricted net assets	93,682
Temporarily restricted net assets:	
Lilly Endowment Character Grant	29,228
Pillars of Scouting Pledge (income supports BSA debt relief)	19,704
Arrow WV (contributions and income supports the Summit)	16,975
Poole Gateway Endowment (supports Poole Gateway Village and related programs)	5,422
Goodrich Lake Endowment Fund (maintains lake at the Summit)	4,088
Lilly Indiana Implementation Grant (supports councils in Indiana)	3,187
Doug Cook Memorial Fund (supports Chief Okemo council)	2,210
Glen Adams Eagle Scout Scholarships (supports Eagle Scout scholarships)	1,867
G&W Phillips Endowment Income (income supports Philmont real estate)	1,634
Cabela Family Foundation Fund (used to rehabilitate Cimarroncita at Philmont)	1,410
Waite Phillips Scholarship Income (supports Philmont scholarships)	1,359
Hafer Chaplain Expenses (supports chaplaincy services at high adventure bases)	1,355
Arnold Scoutreach (supports general charitable purposes of the BSA and related entities)	1,316
Mississippi Council Enhancement Fund	1,287
Thomas Novitski Fund (supports High-Adventure Base camperships)	1,243
Other	38,143
Total temporarily restricted net assets	130,428
Total restricted net assets	$ 224,110

Notes to Consolidated Financial Statements ($ stated in thousands)

Note 10. Fees

During 2024, fees comprised the following:

Registration and license fees	$ 86,333
National service fees from local councils	14,086
High-adventure bases	50,187
Other	7,897
Total fees	$ 158,503

Note 11. Retirement Benefits Trust

The Retirement Benefits Trust (the "Trust"), a grantor trust, is funded at the discretion of the National Council by payments from local councils, the National Council, and by investment income. In 2024, neither the National Council nor the local councils made payments to the Trust. Net investment gains for the Trust in 2024 equaled $170, and at December 31, 2024, the Trust's net assets were $6,981.

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 where non-grandfathered employees (see Note 15) will receive an automatic contribution from the National Council of 1.75 percent of pay and $1 for $1 matching contributions on personal contributions up to 6 percent of pay. The National Council will match grandfathered employees' personal contributions, $.50 per $1 contributed, up to 6 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 2024 related to the matching savings plan was $1,547.

Note 14. Defined Benefit Retirement Plan

The National Council operates as a single employer plan, but for accounting purposes, as a multiemployer plan, 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.

The overall number of employees participating in the plan decreased in correlation with an overall decrease in employees of 30 to 4,348 in 2024. The National Council and local councils each contributed an amount equal to 12 percent of an employee's salary in 2024. The National Council's employer contribution for 2024 was $5,641. 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 was suspended indefinitely, however, employer contributions will continue.

Total employer contributions to the plan, including local councils, was $7,119 for 2024. Employee contributions ended for the plan as of August 1, 2020. For the year ended December 31, 2024, the plan had net assets of $1,369,029.

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, 2024, was $1,344,427. As of December 31, 2024, the pension plan is believed to be at least 80 percent funded with contributions exceeding the minimum funding requirements of ERISA.

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