



# NATIONAL BOY SCOUTS OF AMERICA FOUNDATION 2006 ANNUAL REPORT



## Foundation—Mission

To develop a fund to financially support the mission, values, and programs of the Boy Scouts of America by promoting and soliciting gifts, grants, and matching funds from individuals, corporations, and foundations interested in supporting Scouting through their local councils and other Scouting organizations, both nationally and internationally.

## Foundation—Purpose

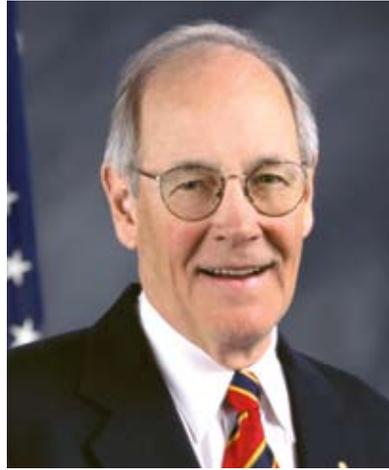
To assist in the development, research, and cultivation of prospective donors, and provide support and encouragement to regions in their efforts to help councils achieve their goals and objectives for endowment.



It pleases me greatly to say that the soul, spirit, and values of Scouting remain unchanged, as they have for almost 100 years. But what has changed is the funding model for Scouting. In fact, we can no longer sustain our programs—let alone grow—by simply continuing to do what we’ve been doing.

That’s why I’m excited about the BSA Foundation. It helps us financially stabilize our council programs, and finds new donors and new gifts to support their operating, capital, *and* endowment needs. It also helps donors and their families find the best ways to support Scouting and other charities.

I’m proud to say that one of the new funds added to the Foundation last year was an advised fund established by our family. The fund makes it possible for our family



to support our local council and perhaps even other charities that are meaningful to us. It’s just one of the ways the Foundation tries to meet both the changing landscape of funding for Scouting and the increased expectations of those who support it. In fact, I hope you’ll consider a fund similar to the one we’ve established.

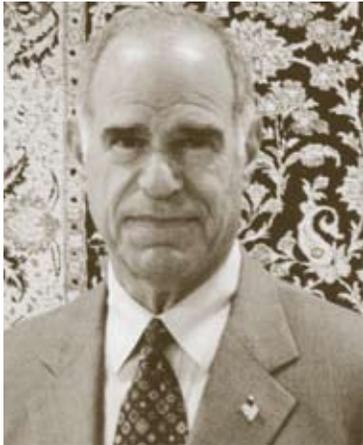
The BSA Foundation will have a significant and measurable impact on Scouting’s financial future, and that’s easy to get excited about. Thank you to Henry Rosenberg and Al Kugler for their leadership and their focus on funding

the current BSA National Strategic Plan through the Foundation.

Values are learned through experiences, and we want to ensure that Scouting’s values and experiences are available to America’s youth and communities for generations. We can do it, but only through the support we receive from visionaries like you—donors who understand that our fund-raising is no longer “business as usual,” nor will it ever be again. Thank you.

A handwritten signature in black ink, appearing to read "Rick Cronk". The signature is stylized and fluid.

William F. “Rick” Cronk  
Chairman, National BSA Foundation



**Henry A. Rosenberg Jr.**  
Chairman, Foundation  
Advisory Committee



**Albert H. Kugler**  
Executive director,  
BSA Foundation

**B**y any measure, 2006 was a good year for the National BSA Foundation. Among our successes:

- The Foundation assets grew to almost \$49 million—an increase of 26.8 percent over the previous year.
- We welcomed our first four members into our Scout Philanthropy Society, with all four gifts qualifying at minimums of \$1 million each.
- The Foundation staff added a new national senior endowment counsel, as well as a new donor services administrator.
- We now have nine donor-advised funds in the Foundation, with assets totaling more than \$7 million.

In terms of our support to local councils and working through the regional endowment teams:

- Our Endowment Art Tour made 12 stops throughout the country, recognizing 150 donors for endowment gifts of almost \$29 million to their local councils.

- The Foundation helped our local councils raise \$9.7 million in outright endowment gifts and identified another \$47.7 million in deferred commitments.

We're excited about our success and our future. There's no doubt we're moving in the right direction. The only surprise is how fast we're moving. We have your support, and an increasing need for council funding, to thank for that.

Thanks to the whole Foundation team for your great efforts, and a special thanks to you for your continuing support of this great movement and its financial future.

# National Boy Scouts of America Foundation Board of Directors



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**Ronald H. Yocum**

## ***Regional Endowment Chairmen***

R. Michael Daniel, Northeast Region

Ron Yocum, Central Region

Allen Brown, Southern Region

Chuck Sted, Western Region

## Current Foundation Priorities

One of the Foundation's highest priorities is to accommodate donors who want to help the local councils, programs, and Scouting initiatives *they* want to support. There are also some programs and initiatives for which the Foundation actively seeks funding. Many of them are provided and funded at the local council level as well as at the National Council. They are also part of the BSA's current National Strategic Plan.

### **Some of the specific projects for which we are seeking funds include:**

1. Scoutreach. This program is specifically designed to deliver Scouting and quality after-school programs to the most hard-to-serve youth in America: rural and urban youth who are at risk, economically disadvantaged, or from minority populations.
2. Soccer and Scouting. Part of our Scoutreach program, it focuses on younger boys of Hispanic/Latino heritage and combines bilingual training in leadership and ethics, elements of our Cub Scout program, and an organized soccer program.
3. BSA professional internship programs. Designed to find, train, and hire the best young men and women who want to work in Scouting's local councils, especially those with skills and abilities to serve inner-city and minority populations.
4. New Scouting programs designed to combat childhood obesity. These programs combine youth-friendly educational materials and fitness incentives to address a problem that is almost universally recognized as one of our society's greatest challenges.
5. Funding for high-adventure programs and facilities (such as Philmont Scout Ranch, Northern Tier Canoe Base, and Florida Sea Base), as well as numerous local council high-adventure programs and facilities.
6. Funding for Scouting's 100th anniversary celebration. In 2010, Scouting in America will be 100 years old. Numerous projects and initiatives focusing on the history and heritage of Scouting are planned.

Gifts may be used to support immediate needs for these and other projects, or to establish endowment funds for long-term or perpetual support.

## Special Initiatives Follow-Up

### The Ward Scoutreach Grant Program

*“Ultimately, Scouting will be judged by what we can do for the neediest of youth.”*

—Roy L. Williams, Chief Scout Executive

One of the Foundation’s highest priorities is to establish a major fund to support local council Scoutreach efforts. Scoutreach is a special program that brings Scouting to at-risk and underserved youth members in rural and urban communities, especially of Hispanic/Latino, Asian, African American, and Native American heritage. It focuses on building self-esteem, strengthening faith, developing skills, and staying in school. It helps train youth to be leaders, accept responsibility, and care about important principles and causes. It teaches the values of the Scout Oath and Scout Law as they apply to their often difficult circumstances and their own specific cultures.

In 2005, two of the BSA Foundation’s most generous donors—Milt and Adele Ward—asked us to offer nine \$15,000 grants from one of their advised funds. This was a one-time opportunity provided by these donors because they knew the Scoutreach program was one of the Foundation’s priorities. In response, we received over 150 grant applications for the nine grants. Here are some of the successes reported by local councils that received those grants:

**Anchorage, Alaska.** Provided numerous training kits to orient and train new Scout leaders, helped fund a food and collection drive to help a rural Alaska village recover from a landslide. Also, in just one year’s time, the number of rural youth served by the council grew 483 percent, and the number of rural Scout units grew by 243 percent.



**New Soccer and Scouting unit established in Greeley, Colorado, as a result of a Ward Scoutreach Grant in 2006**

**Belleville, Illinois.** Made possible six field trips for inner-city youth/Scouts to learn about arts, music, and African language available in the St. Louis area; sponsored a visit by Baseball Hall of Famer Lou Brock to an inner-city elementary school to talk about the importance of education and hard work; offered literacy programs and math and science workshops as part of the council’s in-school Scouting program.

**Greeley, Colorado.** Funded new program aides and soccer coaches for the new Soccer in Scouting program at four elementary schools in Greeley; served about 30 percent more youth in their Scoutreach program than in 2005.

**Lake Charles, Louisiana.** Funded 22 new Scout units specifically for low-income and at-risk youth displaced by Hurricane Katrina; paid for program aide volunteers to serve these at-risk youth units and cover their costs for camp fees and equipment; funded a new Scouting program in the largest FEMA trailer park (containing 578 youth) and is trying to establish and fund similar programs in 42 additional housing locations at the specific request of the governor.

**Memphis, Tennessee.** Funded monthly fishing trips for 300 youth and 70 adults from at-risk neighborhoods, training them in conservation, wildlife management, and ecosystems; hired program specialists to set up programs in four Memphis housing projects and two low-income neighborhoods; paid for anti-drug literature distributed to over 1,500 young people; established eight new collaborative relationships with other organizations to leverage the impact of their program.

**Butler, Pennsylvania.** Funded a new pack and crew at one housing development and hired two new paraprofessionals to help run the unit, and help organize and cultivate leadership for four additional HUD sites; have established Scouting as qualified community service for HUD facilities, increasing volunteer and family involvement.

**Fargo, North Dakota.** Provided camp experiences to 216 new youth from the White Earth Indian Reservation, and developed new weekend programs for fall camping; sponsored a high-adventure outdoor program for 40 Scoutreach Scouts; provided training for all unit leaders and program leaders on the White Earth Indian Reservation.

**Dayton, Ohio.** Organized numerous new Cub Scout baseball teams/packs, providing Cub Scout camping experiences for all Scouts/players from the teams; greatly increased single-parent participation in Scouting and outdoor experiences; used its Ward Grant to attract an additional \$46,000 in corporate funding.

*“Our great success simply would not have been possible without the assistance of the Ward Scoutreach Grant.”*

—Scout executive, Lake Charles, Louisiana



**New Scout from Troop 582 trying to start a fire, Unalakleet, Alaska, in April 2006**

## The Arnold Family Advised Funds

*“Money can be a tool, a test, or a testimony. As a tool, it can help us realize our dreams. As a test, wealth can reveal our true character through the manner in which we spend or acquire it. And it bears testimony to our core values by the role it plays in our life.”*

—Family philosophy of the Ed and Jeanne Arnold Family

Anyone who knows Ed and Jeanne Arnold knows how generous and well-respected they are. As major donors to the University of Notre Dame, Lebanon Valley College, the Penn State Children’s Hospital, and numerous organizations in their community of Lebanon, Pennsylvania, the last thing they should have worried about was money. Ed owned—and sold—one of the largest trucking and transportation companies in the country, a business started by his father. But he had a very special goal he wanted to accomplish.

He wanted to pass on to his heirs both



**Ed Arnold, left, with his wife, Jeanne, at the dining hall dedication, accompanied by Matthew Robinson, Webelos Scout; Jeffrey Gerhart, council president; and Nathaniel Kotzmoyer, Star Scout.**

financial wealth *and* emotional wealth. He wanted them to understand the hard work, the hardships, the values, work ethic, and experiences that made him and his father so successful. He wanted them to appreciate what they had—and understand how to give it away properly.

In 2005, Ed and Jeanne’s financial adviser

attended a seminar on counseling the affluent. One of the course instructors was Perry Cochell, from the BSA Foundation. The adviser returned to the Arnolds with some great planning ideas and a newfound enthusiasm for how Scouting could help the Arnolds accomplish their goals. As a result, the Arnolds went through a complete family planning process with Perry. They emerged

with a new family vision statement and mission; a much greater sense of shared values; appreciation of family heritage, history, and ethics; and a focused purpose for their family wealth.

They also set up three donor-advised funds at the BSA Foundation. They requested that the funds be used to support the Scoutreach programs in three of their favorite BSA local councils. Most important, they helped their children learn to be better philanthropists, giving *them* the job of monitoring the annual distributions from the fund and how the three local councils spent them.

The children are now more actively involved in Scouting—something else Ed and Jeanne had hoped for. To quote the Arnolds’ adviser: “Much to the surprise of Mr. Arnold, who said it couldn’t be done, this was a complete success and an incredible achievement. This process has made such a huge difference to the family, giving them a foundation for two generations to build on and make a difference in this world.”

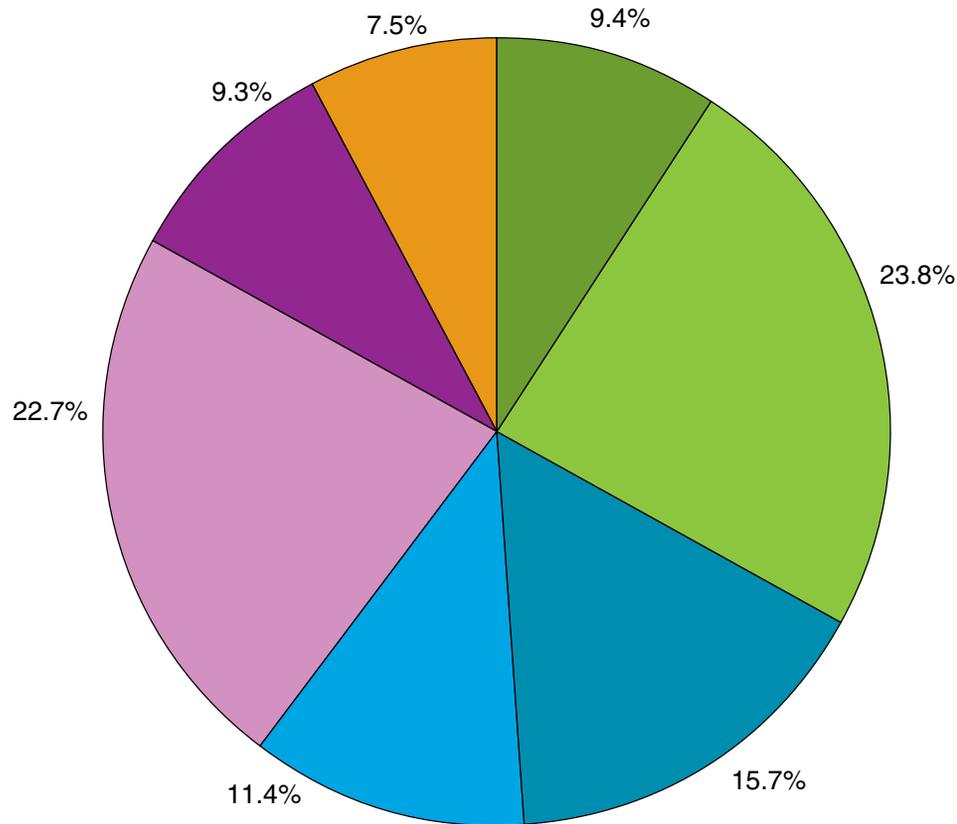


**Thanks to the Arnold Fund, these kids from the Pennsylvania Dutch Council are now enjoying Scouting.**



**Another example of Ed and Jeanne Arnold’s generosity towards Scouting in their community.**

# BSA Foundation Categories of Funds



Donor-Advised Funds	\$4,559,242
Charitable Remainder Trusts	\$11,519,401
Regional Funds	\$7,597,000
World Scouting	\$5,520,186
National Scouting Museum	\$10,997,934
Designated Funds	\$4,516,052
Discretionary Funds	\$3,643,031
<b>Total Funds Unaudited (as of 12/31/06)</b>	<b>\$48,352,548</b>

Does not include gift annuity funds and pooled funds of \$11,272,944. These programs are overseen by the Foundation, but the funds are held by the Boy Scouts of America. Also does not include pledges receivable of \$765,000.

## 2006 National BSA Foundation Distributions and Reports

### Donor-Advised Funds

#### *Milton H. and Adele R. Ward Fund*

\$51,000, which included \$25,500 to the Greater Southwest Council, Albuquerque, New Mexico, and \$25,500 to the Catalina Council, Tucson, Arizona.

#### *A. Ward High Adventure Scholarship Fund*

\$111,439, for minority staff scholarships to Philmont, Florida Sea Base, and Northern Tier Canoe Base, and high-adventure expeditions for adult leaders in the Scoutreach program.

#### *Ward Scoutreach Leadership Fund*

\$106,995 to send adult Scoutreach leaders to the BSA National Annual Meeting, provide awards and incentive recognitions for these leaders, printing, and council employee travel related to Scoutreach.

#### *Edward and Jeanne Arnold Donor-Advised Fund One*

\$6,015 to the Grand Canyon Council, Phoenix, Arizona, in support of the council's Scoutreach programs. *(New fund in 2006)*

#### *Edward and Jeanne Arnold Donor-Advised Fund Two*

\$6,015 to the Allohak Council, Parkersburg, West Virginia, in support of the council's Scoutreach programs. *(New fund in 2006)*

#### *Edward and Jeanne Arnold Donor-Advised Fund Three*

\$6,015 to the Pennsylvania Dutch Council, Lancaster, Pennsylvania, in support of the council's Scoutreach programs. *(New fund in 2006)*

#### *Dorothy L. and Henry A. Rosenberg Jr. Fund*

No distributions requested for 2006. *(New fund in 2006)*

#### *The Cushman Family Scouting Fund*

\$5,000 to the San Gabriel Valley Council, Pasadena, California, to support its Stars and Stripes Gala Auction Event, in memory of John C. Cushman Jr. *(New fund in 2006)*

#### *The Cronk Family Advised Fund*

No distributions requested for 2006. *(New fund in 2006)*

### Regional Funds

#### *Western Region Trust Fund*

No distributions made in 2006.

#### *Southern Region Discretionary Fund*

\$250,000 to councils in the Gulf Coast affected by the hurricanes late in 2005.

#### *Southern Region Trust Fund*

\$60,000 for the support of various council needs in the Southern Region.

#### *Peter A. Rose Fund (Southern Region)*

No distributions in 2006.

#### *Central Region Trust Fund*

\$46,000 to eight local councils as follows: \$2,000 to Fargo, North Dakota, for supplies and programs for youth on the White Earth Indian Reservation; \$6,000 to Great Falls, Montana, for materials and costs of a youth-produced summer camp video. \$6,000 to Hermantown, Minnesota; \$5,000 to Mankato, Minnesota; \$6,000 to Rapid City, South Dakota; \$10,000 to Rochester, Minnesota; \$5,000 to St. Paul, Minnesota; and \$6,000 to Sartell, Minnesota; to be used for staff, marketing materials, and support of their youth outreach programs.

#### *Gaylord Warren Beebe Memorial Fund (Northeast Region)*

\$7,786 for program support to the Green Mountain Council.

#### *Northeast Region Fund (Main Trust)*

\$60,817 to 12 local councils in support of operating and capital needs: Bangor, Maine (\$5,000); Chicopee, Massachusetts (\$2,337); Millville, New Jersey (\$7,500); Doylestown, Pennsylvania (\$1,475); Utica, New York (\$6,000); Hagerstown, Maryland (\$2,000); DuBois, Pennsylvania (\$1,500); Florham Park, New Jersey (\$10,000); Albany, New York (\$5,000); Rochester, New York (\$7,500); Lehigh Valley, Pennsylvania (\$7,500); Reading, Pennsylvania (\$5,000).

***Northeast Region Restricted Fund***

\$22,620 to two local councils and the Northeast Region office for general support as follows: \$11,423 to Waterbury, Vermont; \$10,292 to Haverhill, Massachusetts; \$905 to the Northeast Region office.

***Samuel Joseloff Fund (Northeast Region)***

\$11,000 to two local councils: Hartford, Connecticut (\$8,000); and Milford, Connecticut (\$3,000), for designated special projects.

***Hattie M. Jacobs Fund (Northeast Region)***

\$6,135 to two local councils: Chicopee, Massachusetts (\$1,135); and Providence, Rhode Island (\$5,000), for general operating needs.

***Irving B. Howe Fund (Northeast Region)***

\$1,162 to two local councils: Milton, Massachusetts (\$1,000); and Chicopee, Massachusetts (\$162), for council camp needs.

***Henry P. Robbins Fund (Northeast Region)***

\$4,366 to two local councils: Milton, Massachusetts (\$4,000); and Chicopee, Massachusetts (\$466), for general operating needs.

**Designated Funds**

***BSA Employee Hurricane Relief Fund***

\$18,662 to support emergency needs of BSA employees and their families directly affected by Hurricanes Katrina and Rita.

***Fund to Rebuild Scouting***

\$390,972 to nine local councils for emergency capital rebuilding, materials, supplies, costs of cleanup, and general operations and budget relief in the wake of Hurricanes Katrina and Rita.

***Porter Brinton High-Adventure Fund***

\$1,219 to support general operations at the BSA's Brinton Environmental Center in the Florida Keys (*fund closed out in 2006*).

***World Scouting Unrestricted and Restricted Fund***

\$323,743 to the World Scout Foundation and various World Scouting initiatives.

***W. Hansen and Mary Hall Endowment Scholarship***

To provide college scholarships to qualified Eagle Scouts (*no distributions in 2006*).

***McIntosh European Fund (World Scouting)***

\$82,726 to the European Scout Foundation for general support.

***Ted Winans Northern Tier Endowment Fund***

\$6,975 to the Northern Tier Canoe Base to purchase new canoes.

***National Scouting Museum Endowment***

\$437,728 to the National Scouting Museum for operating needs and general expenses.

***Gerald Lawhorn Family ParentReach Endowment***

No distributions in 2006 (*new fund in 2006*).

**Discretionary Funds**

***Foundation Discretionary Fund***

\$222,334 to support the general expenses and ongoing daily activities of the Foundation.

**Gift Annuities and Pooled Funds**

***BSA Gift Annuity Program***

- Thirty-three new gifts—total value: \$1,699,680
- Twenty-two matured gifts—total distribution to councils: \$253,406
- Total value of BSA Gift Annuity Program: \$8,471,588

***BSA Pooled Income Funds***

- One new gift—value: \$23,162
- Nine matured gifts—total distribution to councils: \$209,750
- Total value of BSA pooled income funds: \$2,801,356

## Charitable Gift Services

We welcome a wide variety of gifts to support the needs and mission of Scouting. General unrestricted gifts are used to support Scouting initiatives of greatest need, as determined by the Foundation. Specific purpose gifts—for a donor-selected council, program, or initiative—are welcome as well. Typical gift purposes may include:

- Individual gifts to benefit multiple councils, programs, or Scouting organizations
- Corporate and foundation gifts for specific Scouting programs and initiatives in targeted communities
- Planned gifts to generate current income and tax benefits for donors and that will eventually benefit Scouting
- Gifts for World Scouting organizations and needs

Most gifts to the Foundation are gifts of cash and stocks. But gifts also include:

- Wills and bequests
- Charitable remainder trusts and charitable lead trusts
- Beneficiary designations from life

insurance and IRAs

- Homes, rental properties, ranches, and other real estate
- Bargain sales, gift/sales, and life estates
- Personal property (art, collectibles)
- Oil and gas royalties
- Other marketable assets (as approved by the Foundation)

The BSA Foundation is also qualified to accept direct, tax-free gift transfers from IRAs, as permitted under the Pension Protection Act of 2006. Talk with your own advisers or fund administrators for more information.

### **BSA Gift Annuity Program and Pooled Income Funds**

The BSA Gift Annuity Program allows donors to make a gift to Scouting and, in return, receive lifetime income and other tax benefits. The rate is guaranteed by the general assets of the Boy Scouts of America and will not change for the duration of the annuity. When the gift annuity ends, the remainder goes to the local council or

councils chosen by the donor.

Each gift must be a minimum of \$2,500 in cash, stocks, or bonds, and beneficiaries must be at least 50 years of age. Annuity payments may be deferred or begin immediately.

The BSA Pooled Income Fund is similar to the Gift Annuity Program, but more like a “charitable mutual fund.” It requires a minimum gift of \$5,000, beneficiaries must be at least 40 years of age at the time of the gift, and the annual income is based on the actual returns of the fund and may vary.

The pooled fund may be an excellent choice for donors who do not need a predictable rate of return and seek an income stream that may help protect against inflationary periods.

Please contact the Foundation or your regional endowment counsel for further information and gift guidelines. The Foundation is tax exempt as a charitable organization described in IRC Section 501(c)(3); it is a public charity, not a private foundation.

## Donor and Family Services

### Donor-Advised Funds

The BSA Foundation accommodates donor-advised funds for donors and families who seek greater flexibility in their philanthropic planning. They allow donors to create a single fund and advise the Foundation about annual distributions to Scouting *and* non-Scouting entities.

Many donors use these funds to help their children or grandchildren become more fully engaged in philanthropy. The donor creates the fund and selects the children or grandchildren to advise the fund, recommend annual distributions from the fund, and receive reports as to how the charities used the funds. *(See the story on page 10 about the Arnold family.)*

### Family Wealth Counseling

Many generous and successful individuals have found that it is easy to pass valuables to others but hard to pass values to them. It's the difference between saving taxes and saving the family fortune. To help address these issues, the BSA Foundation is pleased to offer free planning resources and confidential wealth counseling for donors and their families. Ask for more information about how to put your "family first and fortune second" and preserve both your estate *and* your family values and ethics for the next generation.



## Local Council Endowment Needs

The Foundation fully supports the endowment philosophy of the Boy Scouts of America: the most effective way for local councils to bring stability to their Scouting programs, and to protect their financial future, is to have each council establish its own endowment fund.

In the past decade, local council endowment growth has been significant. The Foundation is proud of its continuing role in supporting councils in this important initiative. In 2006, the Foundation:

- Offered new training seminars and course materials on endowment and major gifts for BSA professionals and volunteers
- Hosted an Endowment Fellowship Week at Philmont in June, offering unprecedented access and opportunities for tours and recreation at Philmont to volunteers and their families
- Encouraged numerous major gift prospects to make their gifts directly to their local councils instead of the Foundation because it was more appropriate at the council level
- Hosted 12 Endowment Art Tour events

- Recognized over 1,900 donors who became members of our James E. West Fellowship, 1910 Society, or Founders Circle, with total local council endowment gifts of over \$39 million

The Foundation also worked with regions to help their councils earn the National Endowment Achievement Award. As a result, almost 30 percent of all BSA local councils earned the award in 2006. The percentages of councils earning the award by region are:

Northeast Region	45 percent of councils
Central Region	34.6 percent of councils
Western Region	34.5 percent of councils
Southern Region	10.6 percent of councils

***Congratulations to Area 5, Northeast Region. Seventy percent of the councils in that area earned the award, the highest percentage of any area in the country.***



## National Foundation Donor Recognition

Major gifts that make a major impact on Scouting are of the highest priority to the Foundation. To properly recognize these transformational gifts, we introduced the Scout Philanthropy Society in 2005.

These gifts may be designated for general purposes, specific needs, national Scouting initiatives, or for a Scouter-advised fund in the Foundation. There are four levels of recognition for qualifying gifts to the Scout Philanthropy Society:

- \$1 million-plus level
- \$10 million-plus level
- \$25 million-plus level
- \$100 million-plus level

We are proud to say that we recognized our first members of the society in 2006, all at the \$1 million-plus level. Our members include:

**Milt and Adele Ward**

**Gerald I. Lawhorn**

**Henry Rosenberg Jr.**

**Rick and Janet Cronk**

**Ed and Jeanne Arnold**

*(To be recognized in 2007)*

Qualifying gifts may be outright gifts (cash, stock, land) or deferred gifts (bequests, charitable trusts, insurance/IRA beneficiary designations, etc.), based on the present value of the gift. **For gifts at the \$1 million-plus level, at least 50 percent of the gift must be outright. At higher levels, at least 10 percent of the gift must be outright.**

We welcome and recognize gifts of all sizes to the Foundation. Please contact the Foundation for more details about this important recognition.



## Endowment Art Tour

One of the Foundation's most popular events is our annual Endowment Art Tour. It combines an educational seminar on estate planning, recognition of local council endowment donors, and a display of some of the most popular works of art from the National Scouting Museum.

### 2006 Tour Theme:

#### "Building a Foundation for Scouting"

- Twelve cities visited with over 2,000 attendees at the receptions
- Six hundred attendees at the estate planning seminars
- One hundred fifty donors recognized for \$29 million in new endowment gifts and commitments to their local councils

The tour for 2007 will again be hosted by the Foundation. The theme will be "Trail to Eagle" and feature a brand-new work by renowned Scouting artist Joseph Csatari.

The 2007 Endowment Art Tour will be in the following cities:

Omaha, Nebraska	March 15, 2007
San Jose, California	April 12, 2007
Lexington, Kentucky	April 19, 2007
Appleton, Wisconsin	May 10, 2007
Jackson, Mississippi	May 17, 2007
Indianapolis, Indiana	May 24, 2007
Abilene, Texas	August 30, 2007
Rochester, New York	September 27, 2007
Denver, Colorado	October 4, 2007
Baltimore, Maryland	October 11, 2007
Santa Ana, California	October 18, 2007
Albany, New York	October 25, 2007

For more information, please contact the Foundation or your local Scout executive.

# Investment Performance and Guidelines

There are three primary factors that positively affect the Foundation’s annual investment performance:

- It benefits from economy of scale by investing its assets with those of the Boy Scouts of America.
- Its assets and policies are overseen by 24 nationally known CEOs and financial experts, the same individuals who also serve on the BSA’s Finance and Investment Committee.
- It uses two industry leaders to manage its assets: State Street Global Advisors in Boston, Massachusetts, for asset management, and LCG Associates in Dallas, Texas, as investment analyst and consultant.

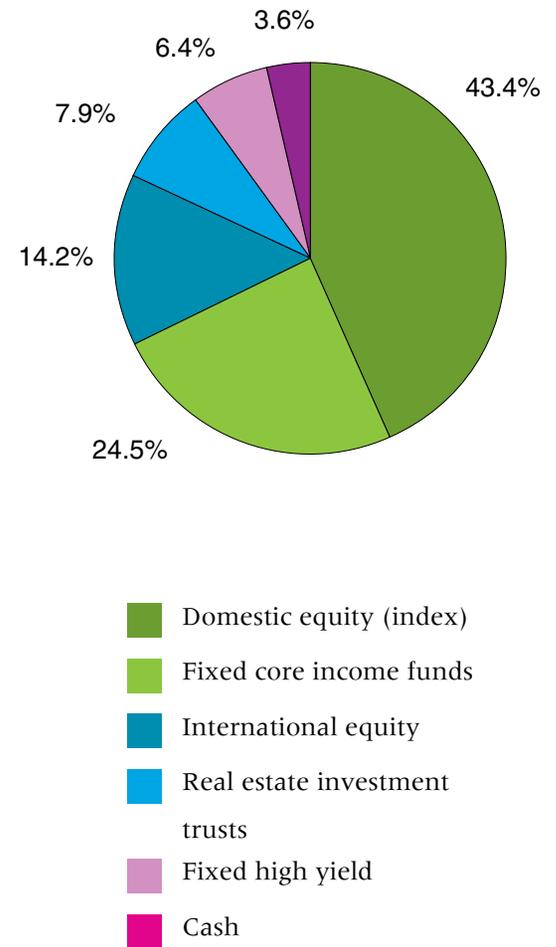
For 2006, the Foundation’s total investment return was 13.7 percent, invested in these six categories, as follows:

	Target
Domestic Equity (Index)	43.4%
Fixed Core Income Funds	24.5%
International Equity	14.2%
Real Estate Investment Trusts	7.9%
Fixed High Yield	6.4%
Cash	3.6%

Because of the purpose and distribution needs of specific funds in the Foundation, some of them require different portfolio mixes. While most foundations similar in size and purpose to ours tend to not use asset classes such as private equity and hedge funds, we continue to look closely at diversifying into such funds.

The standard of investment for the Foundation is to exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the investment. Our objectives are to (a) seek a steady stream of income from the fund investments, (b) preserve the real value of the principal, and (c) generate investment returns with risk consistent with those of the broad domestic markets. The safety and preservation of Foundation assets are paramount.

Current financial information as to fund size, performance, and distributions is available from the Foundation upon request.



## Foundation Unaudited Balance Sheets

As of December 31, 2006 and 2005 (in thousands)

	2006	2005
<b>Assets</b>		
Investments, at fair value	\$48,349	\$37,415
Pledges receivable	765	1,182
Total assets	<u>\$49,114</u>	<u>\$38,597</u>
<b>Liabilities and net assets</b>		
Accounts payable—trade and affiliates	\$1,120	\$805
Due trust and uni-trust beneficiaries	10,758	6,529
Total liabilities	<u>11,878</u>	<u>7,334</u>
Net assets:		
Unrestricted:		
General operations	3,731	3,501
Board-designated	4,592	2,978
Total unrestricted net assets	<u>8,323</u>	<u>6,479</u>
Temporarily restricted	2,272	1,350
Permanently restricted	26,641	23,434
Total net assets	<u>37,236</u>	<u>31,263</u>
Total liabilities and net assets	<u>\$49,114</u>	<u>\$38,597</u>

## Foundation Unaudited Statement of Revenues, Expenses, and Other Changes in Net Assets

For the Year Ended December 31, 2006 (in thousands, with comparative totals for 2005)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2006	Total 2005
<b>Revenues</b>					
Contributions	\$1,664	\$1,300	\$1,033	\$3,997	\$4,135
Investment income	1,078	692	2,174	3,944	757
Total revenue	<u>2,742</u>	<u>1,992</u>	<u>3,207</u>	<u>7,941</u>	<u>4,892</u>
Net assets released from restrictions	1,070	(1,070)	0	0	0
Expenses	1,968	0	0	1,968	2,298
Change in net assets	<u>1,844</u>	<u>922</u>	<u>3,207</u>	<u>5,973</u>	<u>2,594</u>
Net assets, beginning of year	<u>6,479</u>	<u>1,350</u>	<u>23,434</u>	<u>31,263</u>	<u>28,669</u>
Net assets, end of year	<u>\$8,323</u>	<u>\$2,272</u>	<u>\$26,641</u>	<u>\$37,236</u>	<u>\$31,263</u>

## Foundation Staff and Contact Information

For more information about specific gifts you may be considering, our family wealth counseling services, or if you have questions about the Foundation, please e-mail us, call us toll-free at 800-BSA-INFO, visit our Web site at [www.bsafoundation.org](http://www.bsafoundation.org), or fax us at 972-580-7886. Our address is listed below as well.

You may also want to discuss your philanthropic needs and objectives with the BSA's regional endowment counsel. They provide direct service within your region, offering personal visits with donors and their financial advisers, gift proposals, and many other specialized services. Either the Foundation or your local council can help you contact them.

Scouting continues to serve as the financial focal point for the millions of people who continue to support traditional family values, training in ethical decision making, and moral responsibility. We are the foundation for Scouting's financial future, coast to coast and nation to nation. Find out more about it today.



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The Foundation Advisory Committee includes eight current Scout executives. Their participation is critical and their committee responsibilities include:

- Coordinating the Foundation efforts with those of local councils
- Serving as instructors and facilitators for endowment training sessions and courses
- Helping set Foundation priorities that will most benefit local councils
- Making sure gift solicitations for the Foundation do not interfere with local council fund-raising

The eight Scout executives whose terms expire in August 2007 are:

***Northeast Region***

- Hugh Travis (Baltimore, Maryland)
- Jack Sears (Hawthorne, New York)

***Southern Region***

- Joe Long (Nashville, Tennessee)
- Bill Lucas (Houston, Texas)

***Central Region***

- Rick Williamson (Detroit, Michigan)
- Scott Clabaugh (Indianapolis, Indiana)

***Western Region***

- Bill Dalton (San Leandro, California)
- Jason Stein (San Jose, California)

**Regional Endowment Counsel**



**Ray Smith—Southern Region**



**John Shannon—Southern Region**



**Russ McNamer—Central Region**



**Jake Carlson—Western Region**



**Robert Pape—Northeast Region**





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