

# UTAH NATIONAL PARKS COUNCIL



## FINANCIAL STATEMENTS

Years Ended December 31, 2014 and 2013

748 North 1340 West  
Orem, Utah 84057  
[www.utahscouts.org](http://www.utahscouts.org)

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## INDEPENDENT AUDITOR'S REPORT

To the Executive Board and Audit Committee of  
Utah National Parks Council, Boy Scouts of America

We have audited the accompanying financial statements of the Utah National Parks Council, Boy Scouts of America (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Utah National Parks Council, Boy Scouts of America as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



HintonBurdick, PLLC  
St. George, Utah  
May 8, 2015

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**UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2014 and 2013**

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Assets</b>								
<b>Current assets</b>								
Cash	\$ 1,807,812	\$ 1,459,268	\$ 777,453	\$ 237,980	\$ 130,179	\$ 41,256	\$ 2,715,444	\$ 1,738,504
Accounts and notes receivable	27,278	28,610	589	16	-	-	27,867	28,626
Contributions receivable	73,367	110,957	6,795	37,136	88,470	22,716	168,632	170,809
Inventories	368,908	285,281	-	-	-	-	368,908	285,281
Prepaid expenses	240,556	199,208	-	-	-	-	240,556	199,208
Total current assets	2,517,921	2,083,324	784,837	275,132	218,649	63,972	3,521,407	2,422,428
<b>Non-current assets</b>								
Contributions receivable	-	-	-	-	76,206	73,073	76,206	73,073
Land, building and equipment, net	-	-	10,731,547	10,531,719	-	-	10,731,547	10,531,719
Long-term investments	-	-	-	-	2,941,642	2,993,769	2,941,642	2,993,769
Interfund loans	1,518,025	1,520,210	(1,518,025)	(1,520,210)	-	-	-	-
Other non-current assets	-	-	-	-	4,831	95,483	4,831	95,483
Total non-current assets	1,518,025	1,520,210	9,213,522	9,011,509	3,022,679	3,162,325	13,754,226	13,694,044
Total assets	\$ 4,035,946	\$ 3,603,534	\$ 9,998,359	\$ 9,286,641	\$ 3,241,328	\$ 3,226,297	\$ 17,275,633	\$ 16,116,472
<b>Liabilities</b>								
<b>Current liabilities</b>								
Accounts payable and accrued expenses	\$ 148,944	\$ 192,559	\$ 1,084	\$ 13,546	\$ -	\$ -	\$ 150,028	\$ 206,105
Payroll taxes withheld	2,784	1,452	(188)	-	(13)	-	2,583	1,452
Custodian accounts	328,861	583,283	-	-	-	-	328,861	583,283
Deferred activity revenue	72,567	70,123	-	-	-	-	72,567	70,123
Deferred camp revenue	180,268	190,376	-	-	-	-	180,268	190,376
Deferred other revenue	-	32	-	-	-	-	-	32
Other current liabilities	-	969	-	-	-	-	-	969
Total current liabilities	733,424	1,038,794	896	13,546	(13)	-	734,307	1,052,340
<b>Net Assets</b>								
Unrestricted net assets	60,395	33,158	9,332,011	8,914,162	525,125	657,118	9,917,531	9,604,438
Temporarily restricted net assets	3,242,127	2,531,582	540,952	234,433	31,073	22,999	3,814,152	2,789,014
Permanently restricted net assets	-	-	124,500	124,500	2,685,143	2,546,180	2,809,643	2,670,680
Total net assets	3,302,522	2,564,740	9,997,463	9,273,095	3,241,341	3,226,297	16,541,326	15,064,132
Total liabilities and net assets	\$ 4,035,946	\$ 3,603,534	\$ 9,998,359	\$ 9,286,641	\$ 3,241,328	\$ 3,226,297	\$ 17,275,633	\$ 16,116,472

The accompanying notes are an integral part of these financial statements

**UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years Ended December 31, 2014 and 2013**

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Changes in Unrestricted Net Assets</b>								
<b>Support and Revenue</b>								
<b>Direct support</b>								
Friends of scouting	\$ 627,983	\$ 538,859	\$ -	\$ -	\$ -	\$ -	\$ 627,983	\$ 538,859
Project sales	15,130	22,114	-	5,700	-	-	15,130	27,814
Capital campaign	-	-	343,091	422,571	-	-	343,091	422,571
Special events - gross	103,353	63,462	-	-	-	-	103,353	63,462
Less cost of direct benefit	(20,131)	(27,069)	-	-	-	-	(20,131)	(27,069)
Net special events	83,222	36,393	-	-	-	-	83,222	36,393
Foundations and trusts	92,294	30,301	-	-	-	-	92,294	30,301
Other direct support	6,491	12,418	1,882	-	2,025	-	10,398	12,418
Total direct support	825,120	640,085	344,973	428,271	2,025	-	1,172,118	1,068,356
<b>Indirect support</b>								
Other indirect	5,234	7,778	-	-	-	-	5,234	7,778
Total indirect support	5,234	7,778	-	-	-	-	5,234	7,778
<b>Revenue</b>								
Sales of supplies - gross	510,972	517,319	-	-	-	-	510,972	517,319
Less cost of goods sold	(307,046)	(347,195)	-	-	-	-	(307,046)	(347,195)
Net sale of supplies	203,926	170,124	-	-	-	-	203,926	170,124
Product sales - gross	30,081	41,154	-	-	-	-	30,081	41,154
Less cost of goods sold	(10,155)	(13,860)	-	-	-	-	(10,155)	(13,860)
Less commissions paid to units	(12,968)	(15,490)	-	-	-	-	(12,968)	(15,490)
Net product sales	6,958	11,804	-	-	-	-	6,958	11,804
Investment income	139,788	128,212	-	-	21,866	-	161,654	128,212
Realized gain (loss) on investments	-	9,787	-	-	(2,052)	111,041	(2,052)	120,828
Unrealized gain (loss) on investments	-	-	-	-	(40,344)	183,976	(40,344)	183,976
Camping revenue	2,485,281	2,196,100	-	-	-	-	2,485,281	2,196,100
Activity revenue	824,118	2,132,050	2,185	805	-	-	826,303	2,132,855
Other revenue	349,523	332,039	13,700	144,677	-	-	363,223	476,716
Total revenue	4,009,594	4,980,116	15,885	145,482	(20,530)	295,017	4,004,949	5,420,615

The accompanying notes are an integral part of these financial statements

**UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued)**  
**Years Ended December 31, 2014 and 2013**

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Changes in Unrestricted Net Assets</b>								
<b>Net assets released from restrictions</b>								
Reclass friends of scouting	\$ 2,531,582	\$ 2,791,092	\$ -	\$ -	\$ -	\$ -	\$ 2,531,582	\$ 2,791,092
Reclass capital campaign	-	-	183,184	70,603	-	-	183,184	70,603
Reclass foundations and trusts	-	1,000	-	-	-	-	-	1,000
Reclass other direct / indirect	-	-	-	-	24,338	-	24,338	-
Total reclassification of net assets	2,531,582	2,792,092	183,184	70,603	24,338	-	2,739,104	2,862,695
<b>Total support and revenue</b>	7,371,530	8,420,071	544,042	644,356	5,833	295,017	7,921,405	9,359,444
<b>Expenses</b>								
Program services	5,801,823	6,668,458	444,703	398,761	-	-	6,246,526	7,067,219
Supporting services								
Management and general	1,027,823	1,027,924	33,470	20,410	-	-	1,061,293	1,048,334
Fundraising	397,278	393,245	39,711	7,100	24,338	-	461,327	400,345
Total functional expenses	7,226,924	8,089,627	517,884	426,271	24,338	-	7,769,146	8,515,898
Charter and national service fee	89,166	89,166	-	-	-	-	89,166	89,166
Total expenses	7,316,090	8,178,793	517,884	426,271	24,338	-	7,858,312	8,605,064
<b>Increase (decrease) in unrestricted net assets</b>	55,440	241,278	26,158	218,085	(18,505)	295,017	63,093	754,380

The accompanying notes are an integral part of these financial statements



**UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued)**  
**Years Ended December 31, 2014 and 2013**

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Changes in Temporarily Restricted Net Assets</b>								
<b>Direct support</b>								
Friends of scouting	\$ 3,242,127	\$ 2,531,582	\$ -	\$ -	\$ -	\$ -	\$ 3,242,127	\$ 2,531,582
Capital campaign	-	-	489,703	26,781	-	-	489,703	26,781
Total direct support	3,242,127	2,531,582	489,703	26,781	-	-	3,731,830	2,558,363
<b>Revenue</b>								
Investment income	-	-	-	-	8,074	8,241	8,074	8,241
Total revenue	-	-	-	-	8,074	8,241	8,074	8,241
<b>Net assets released from restrictions</b>								
Reclass friends of scouting	(2,531,582)	(2,791,092)	-	-	-	-	(2,531,582)	(2,791,092)
Reclass capital campaign	-	-	(183,184)	(70,603)	-	-	(183,184)	(70,603)
Reclass foundations and trusts	-	(1,000)	-	-	-	-	-	(1,000)
Total reclassification of net assets	(2,531,582)	(2,792,092)	(183,184)	(70,603)	-	-	(2,714,766)	(2,862,695)
<b>Total support and revenue</b>	710,545	(260,510)	306,519	(43,822)	8,074	8,241	1,025,138	(296,091)
<b>Increase (decrease) in temporarily restricted net assets</b>	710,545	(260,510)	306,519	(43,822)	8,074	8,241	1,025,138	(296,091)

The accompanying notes are an integral part of these financial statements

**UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (Continued)**  
**Years Ended December 31, 2014 and 2013**

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Changes in Permanently Restricted Net Assets</b>								
<b>Direct support</b>								
Legacies and bequests	\$ -	\$ -	\$ -	\$ -	\$ 13,088	\$ 3,462	\$ 13,088	\$ 3,462
Foundations and trusts	-	-	-	-	150,000	-	150,000	-
Other direct support	-	-	-	-	213	6,384	213	6,384
Total direct support	-	-	-	-	163,301	9,846	163,301	9,846
<b>Net assets released from restrictions</b>								
Reclass other direct / indirect	-	-	-	-	(24,338)	-	(24,338)	-
Total reclassification of net assets	-	-	-	-	(24,338)	-	(24,338)	-
<b>Total support and revenue</b>	-	-	-	-	138,963	9,846	138,963	9,846
<b>Increase (decrease) in permanently restricted net assets</b>	-	-	-	-	138,963	9,846	138,963	9,846
<b>Increase (decrease) in total net assets</b>	765,985	(19,232)	332,677	174,263	128,532	313,104	1,227,194	468,135
<b>Net assets, beginning of year</b>								
Unrestricted net assets	33,158	(199,820)	8,914,162	8,687,777	657,118	362,101	9,604,438	8,850,058
Temporarily restricted net assets	2,531,582	2,792,092	234,433	278,255	22,999	14,758	2,789,014	3,085,105
Permanently restricted net assets	-	-	124,500	124,500	2,546,180	2,536,334	2,670,680	2,660,834
Total net assets, beginning of year	2,564,740	2,592,272	9,273,095	9,090,532	3,226,297	2,913,193	15,064,132	14,595,997
<b>Transfers</b>	(28,203)	(8,300)	141,691	8,300	(113,488)	-	-	-
<b>Adjustments to net assets</b>								
Unrestricted adjustments	-	-	250,000	-	-	-	250,000	-
Total adjustments to net assets	-	-	250,000	-	-	-	250,000	-
<b>Net assets, end of year</b>								
Unrestricted net assets	60,395	33,158	9,332,011	8,914,162	525,125	657,118	9,917,531	9,604,438
Temporarily restricted net assets	3,242,127	2,531,582	540,952	234,433	31,073	22,999	3,814,152	2,789,014
Permanently restricted net assets	-	-	124,500	124,500	2,685,143	2,546,180	2,809,643	2,670,680
Total net assets, end of year	\$ 3,302,522	\$ 2,564,740	\$ 9,997,463	\$ 9,273,095	\$ 3,241,341	\$ 3,226,297	\$ 16,541,326	\$ 15,064,132

The accompanying notes are an integral part of these financial statements

**UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended December 31, 2014 and 2013**

	Support Services									
	Program Service		Management and General		Fundraising		Total		Total Expenses	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Expenses</b>										
Employee compensation										
Salaries	\$ 2,409,618	\$ 2,272,896	\$ 609,957	\$ 598,668	\$ 212,159	\$ 208,232	\$ 822,116	\$ 806,900	\$ 3,231,734	\$ 3,079,796
Employee benefits	401,269	399,092	123,951	125,385	43,113	43,612	167,064	168,997	568,333	568,089
Payroll taxes	241,854	206,599	52,418	49,665	18,232	17,275	70,650	66,940	312,504	273,539
Employee related expenses	8,838	15,533	2,946	5,178	1,025	1,801	3,971	6,979	12,809	22,512
Total employee compensation	3,061,579	2,894,120	789,272	778,896	274,529	270,920	1,063,801	1,049,816	4,125,380	3,943,936
Other expenses										
Professional fees	69,548	65,669	13,183	21,180	4,585	4,136	17,768	25,316	87,316	90,985
Supplies	1,402,389	2,523,554	10,946	16,297	10,232	7,395	21,178	23,692	1,423,567	2,547,246
Telephone	63,604	58,967	17,657	15,918	6,141	5,537	23,798	21,455	87,402	80,422
Postage and shipping	32,525	31,155	8,490	8,437	2,953	4,614	11,443	13,051	43,968	44,206
Occupancy	405,086	390,782	32,905	35,935	11,445	12,499	44,350	48,434	449,436	439,216
Rent and maintenance of equipment	110,867	77,908	7,942	7,583	2,762	2,638	10,704	10,221	121,571	88,129
Publications and media	28,520	13,212	395	57	5,615	20,938	6,010	20,995	34,530	34,207
Travel	227,333	214,736	37,007	35,188	12,972	12,239	49,979	47,427	277,312	262,163
Conferences and meetings	42,200	44,532	8,578	10,061	2,984	3,500	11,562	13,561	53,762	58,093
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-
Recognition awards	61,568	50,216	2,658	2,802	26,248	23,323	28,906	26,125	90,474	76,341
Interest expense	-	1,783	-	594	-	207	-	801	-	2,584
Insurance	208,398	160,926	69,230	53,642	24,080	18,658	93,310	72,300	301,708	233,226
Other expenses	88,979	140,898	29,568	41,334	65,142	6,642	94,710	47,976	183,689	188,874
Total other expenses	2,741,017	3,774,338	238,559	249,028	175,159	122,326	413,718	371,354	3,154,735	4,145,692
Expenses before depreciation	5,802,596	6,668,458	1,027,831	1,027,924	449,688	393,246	1,477,519	1,421,170	7,280,115	8,089,628
Depreciation expense	443,930	398,761	33,462	20,410	11,639	7,099	45,101	27,509	489,031	426,270
Total functional expenses	\$ 6,246,526	\$ 7,067,219	\$ 1,061,293	\$ 1,048,334	\$ 461,327	\$ 400,345	\$ 1,522,620	\$ 1,448,679	\$ 7,769,146	\$ 8,515,898
Functional expense percentages	80.40%	82.99%	13.66%	12.31%	5.94%	4.70%	100.00%	100.00%	100.00%	100.00%

**UTAH NATIONAL PARKS COUNCIL, BOY SCOUTS OF AMERICA**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2014 and 2013**

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Cash Flows from Operating Activities</b>								
Change in total net assets	\$ 765,985	\$ (19,232)	\$ 332,677	\$ 174,263	\$ 128,532	\$ 313,104	\$ 1,227,194	\$ 468,135
<b>Adjustments to reconcile change in net assets to cash flows from operations</b>								
Depreciation	-	-	425,119	424,838	-	-	425,119	424,838
Noncash contributions of assets	-	-	-	(25,700)	-	-	-	(25,700)
Contributions restricted for long-term purposes	-	-	(489,703)	(126,781)	(166,288)	(6,384)	(655,991)	(133,165)
Bad debts	-	-	28,069	-	24,338	-	52,407	-
Change in value - gift annuity agreements	-	-	-	-	2,987	(3,184)	2,987	(3,184)
Realized (gain) loss on investments	-	(9,787)	-	-	2,052	(111,041)	2,052	(120,828)
Unrealized (gain) loss on investments	-	-	-	-	40,344	(183,976)	40,344	(183,976)
Realized (gain) loss on disposal of capital assets	-	-	50,212	(142,914)	-	-	50,212	(142,914)
<b>Adjustments for changes in assets and liabilities</b>								
(Increase) decrease in								
Accounts receivables	1,331	(3,762)	(573)	(16)	-	-	758	(3,778)
Contributions receivable	37,590	3,087	2,272	73,422	3,300	4,660	43,162	81,169
Inventory	(83,628)	(69,295)	-	-	-	-	(83,628)	(69,295)
Deferred activity expense	(1,812)	-	-	-	-	-	(1,812)	-
Prepaid expenses	(39,536)	331,021	-	-	-	-	(39,536)	331,021
Increase (decrease)	(43,614)	44,066	(12,462)	13,514	-	-	(56,076)	57,580
Accounts payable and accrued expenses	1,332	(428)	(188)	-	(13)	-	1,131	(428)
Payroll liabilities	(254,421)	(557,507)	-	-	-	-	(254,421)	(557,507)
Custodian accounts	(969)	969	-	-	-	-	(969)	969
Other current liabilities	2,444	(733,181)	-	-	-	-	2,444	(733,181)
Deferred activity revenue	(10,108)	60,602	-	-	-	-	(10,108)	60,602
Deferred camp revenue	(32)	(10,685)	-	-	-	-	(32)	(10,685)
Deferred other revenue	374,562	(964,132)	335,423	390,626	35,252	13,179	745,237	(560,327)
Net cash flows from operations	-	-	(626,714)	(689,195)	-	-	(626,714)	(689,195)
<b>Cash Flows from Investing Activities</b>								
Acquisition of property and equipment	-	-	201,555	147,668	-	-	201,555	147,668
Proceeds from sale of property and equipment	-	9,787	-	-	322,252	2,160,561	322,252	2,170,348
Proceeds from sale of investments	-	-	-	-	(321,381)	(2,257,292)	(321,381)	(2,257,292)
Purchases of investments	-	-	-	-	-	-	-	-
Net cash flows from investing activities	-	9,787	(425,159)	(541,527)	871	(96,731)	(424,288)	(628,471)
<b>Cash Flows from Financing Activities</b>								
Interfund transfers	(28,203)	(8,300)	141,691	8,300	(113,488)	-	-	-
Interfund loan	2,185	805	(2,185)	(805)	-	-	-	-
Contributions restricted for long-term purposes	-	-	489,703	126,781	166,288	6,384	655,991	133,165
Net cash flows from financing activities	(26,018)	(7,495)	629,209	134,276	52,800	6,384	655,991	133,165
Net increase (decrease) in cash flows	348,544	(961,840)	539,473	(16,625)	88,923	(77,168)	976,940	(1,055,633)
Cash at the beginning of the year	1,459,268	2,421,108	237,980	254,605	41,256	118,424	1,738,504	2,794,137
Cash at the end of the year	\$ 1,807,812	\$ 1,459,268	\$ 777,453	\$ 237,980	\$ 130,179	\$ 41,256	\$ 2,715,444	\$ 1,738,504
<b>Supplemental Disclosures:</b>								

Noncash additions to property and equipment for 2014 and 2013 include various donated materials and services totaling \$0 and \$5,700, respectively.

For 2014, the Council sold capital assets (including those held for sale) with a net book value of \$251,767 resulting in a loss of \$50,212. For 2013, the Council sold capital assets (including those held for sale) with a net book value of \$4,754 resulting in a gain of \$142,914.

The accompanying notes are an integral part of these financial statements

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

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**Note 1. Summary of Significant Accounting Policies**

Nature of Organization – Utah National Parks Council Boy Scouts of America (the Council) is a non-profit organization formed in 1921 to instill values in young people and in other ways prepare them to make ethical choices over their lifetime in achieving their full potential. The Council helps to accomplish this goal by providing outstanding leadership, training, programs, and activities for the young men. The Council serves young men in the area from North Central Utah to Southern Utah. Contributions are used for service to young men ages 7-21 and young women ages 14-21 in 19 counties of the state of Utah. The mission of the Boy Scouts of America is to prepare young people to make ethical and moral choices over their lifetimes by instilling in them the values of the Scout Oath and Law.

The Council's programs include the following: Tiger Cubs, Cub Scouting, Boy Scouting, Varsity Scouting, Venturing and Learning for Life.

Income Taxes – The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization whereby only unrelated business income, as defined by section 509(a)(1) of the Code, is subject to federal income tax. The Council currently has no unrelated business income for the years ended December 31, 2014 and 2013, and accordingly, has not recorded any provision for income taxes.

The Council adopted the provisions of FASB ASC 740-10-25 on January 1, 2009. Accordingly, an organization must recognize the tax benefit associated with expenses taken for tax return purposes when it is more likely than not the position will be sustained. The Council does not believe there are any material uncertain tax positions and, accordingly, has not recognized any liability for unrecognized tax benefits. For the years ended December 31, 2014 and 2013, there were no interest or penalties recorded or included in these financial statements. The Council's Forms 990, *Return of Organization Exempt from Income Tax*, for the years 2011 through 2014 are subject to examination by the IRS, generally for three years after they were filed.

Date of Management's Review – In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through May 8, 2015, the date the financial statements were available to be issued.

Fund Accounting and Financial Statement Presentation – To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Council are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

The Council also prepares financial statements in accordance with the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations (ASC 958-205 and subsections). Under these standards, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Council is required to present a statement of cash flows.

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

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**Note 1. Entity and Summary of Significant Accounting Policies (Continued)**

Accounting Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – The Council considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. See also Note 2. Financial instruments that potentially subject the Council to credit risk consist principally of cash at financial institutions. The Council maintains deposits in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Council's deposits are not subject to significant credit risks.

Investments – The Council has adopted the provisions of FASB ASC 958-320-25. Accordingly, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Investments are exposed to various risks such as significant world events, and interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position. See also Notes 2 and 3.

Investment Spending Policy – The Council has a board approved total return spending policy that allows the operating fund to receive and recognize investment earnings originating from the endowment fund. For the years ending December 31, 2014 and 2013, the board approved spending policy was 5% of the market value of the trust investments as the average of the 36 months ended in June of the prior year.

Land, Buildings, and Equipment – Land, buildings, and equipment are recorded at cost. Donated land, buildings, and equipment are recorded at the approximate fair market value of the asset on the date of donation. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Land, buildings, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The Council capitalizes items over \$5,000 with a useful life greater than one year.

Construction-in-progress represents cost incurred on the construction of assets that have not been completed or placed in service as of the end of the year.

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

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**Note 1. Entity and Summary of Significant Accounting Policies (Continued)**

Interfund Loans – The interfund loans at December 31, 2014 and 2013 result from the operating fund making advances to the capital fund for capital purposes. The funds are not expected to be settled within the next year and are included in non-current assets/liabilities.

Inventories – Inventories are carried at average cost. Inventories consist of awards, clothing, camping, activity, and other supplies for sale.

Deferred Revenues and Expenses – Deferred revenues and expenses include items that have not been earned or incurred as of the balance sheet date, but that are expected to be recognized as revenue and expenses in a subsequent period.

Contributions – Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. The majority of the promises to give are received from North Central and Southern Utah contributors as a result of the annual campaign.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Other gifts of long-lived assets shall be reported as unrestricted support in the absence of donor-imposed restrictions on the use of the asset.

Certain endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in unrestricted net assets and are available for use by the Council. Some endowment fund earnings are reported in the operating fund (see spending policy on the following pages).

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Some members of the Council have donated significant amounts of time to the Council in furthering the Council's programs and objectives. No amounts have been included in the financial statements for donated member or volunteer services since they did not meet the criteria for recognition under accounting standards.

Although restricted contributions typically are reported as support that increases restricted net assets, the Council shows restricted contributions, gains, and investment income whose restrictions are met in the same reporting period as unrestricted support.

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 1. Entity and Summary of Significant Accounting Policies (Continued)**

Functional Expenses – Expenses are charged directly to program, management, or fundraising, in general categories based on specific identification. Indirect expenses have been allocated based on time charged and salary expenditures.

Reclassification – Certain reclassifications have been made to the 2013 financial information to conform to the current-year presentation. These reclassifications have no effect on the change in net assets for 2013.

**Note 2. Investments**

Investments as of December 31, 2014 and 2013 are as follows:

	December 31, 2014			
	Operating Fund	Capital Fund	Endowment Fund	Total
Securities (debt and equity)	\$ -	\$ -	\$ 1,296,790	\$ 1,296,790
REITs	-	-	1,421,691	1,421,691
Other*	-	-	223,161	223,161
Total	\$ -	\$ -	\$ 2,941,642	\$ 2,941,642
Long-term investments	\$ -		\$ 2,941,642	\$ 2,941,642
Total	\$ -	\$ -	\$ 2,941,642	\$ 2,941,642
	December 31, 2013			
	Operating Fund	Capital Fund	Endowment Fund	Total
Securities (debt and equity)	\$ -	\$ -	\$ 1,375,528	\$ 1,375,528
REITs	-	-	1,599,207	1,599,207
Other*	-	-	19,034	19,034
Total	\$ -	\$ -	\$ 2,993,769	\$ 2,993,769
Long-term investments	\$ -		\$ 2,993,769	\$ 2,993,769
Total	\$ -	\$ -	\$ 2,993,769	\$ 2,993,769

\*The Other category consists primarily of cash and cash equivalents (e.g. money market funds) associated with investments held by brokerage firms.



**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 2. Investments (Continued)**

The following schedule summarizes the investment return in the statements of activities and changes in net assets for the years ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 169,728	\$ 136,453
Realized gain (loss)*	(2,052)	120,828
Unrealized gain (loss)	<u>(40,344)</u>	<u>183,976</u>
	<u>\$ 127,332</u>	<u>\$ 441,257</u>

\*Investment expenses for 2014 and 2013 are \$15,355 and \$13,056 and are included with realized gain (loss) on investments.

The above investment return is classified in the statements of activities and changes in net assets as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted	\$ 119,258	\$ 433,016
Temporarily-restricted	<u>8,074</u>	<u>8,241</u>
	<u>\$ 127,332</u>	<u>\$ 441,257</u>

**Note 3. Fair Value Measurement**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at fair value in the statement of financial position. The valuation inputs (methods used for measuring fair value) in regards to the fair value hierarchy of ASC 820-10 are deemed to be level 1 for the securities and level 2 for the REITs.

Fair values of investment assets measured on a recurring basis are as follows:

	<u>December 31, 2014</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Securities (debt and equity)	\$ 1,296,790	\$ 1,296,790	\$ -	\$ -
REITs	1,421,691	-	1,421,691	-
Other	<u>223,161</u>	<u>223,161</u>	-	-
Total	<u>\$ 2,941,642</u>	<u>\$ 1,519,951</u>	<u>\$ 1,421,691</u>	<u>\$ -</u>

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 3. Fair Value Measurement (Continued)**

	December 31, 2013			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Securities (debt and equity)	\$ 1,375,528	\$ 1,375,528	\$ -	\$ -
REITs	1,599,207	-	1,599,207	-
Other	19,034	19,034	-	-
Total	\$ 2,993,769	\$ 1,394,562	\$ 1,599,207	\$ -

The REITS are valued at fair value based on the closing price for securities listed on a securities exchange, the closing bid or ask price for over-the-counter securities not listed on a securities exchange, or at cost or obtained from an independent pricing service for securities not listed or traded on any exchange or on the over-the-counter market.

**Note 4. Contributions Receivable**

Contributions receivable at December 31, 2014 and 2013 consist of the following:

	2014	2013
Due in less than one year	\$ 173,632	\$ 170,809
Due in one to five years	2,500	7,690
Due in over five years	360,000	360,000
Total contribution receivable, gross	536,132	538,499
Less: provision for discounting future value*	(291,294)	(294,617)
Total contribution receivable, net	\$ 244,838	\$ 243,882
 Net current portion	 \$ 168,632	 \$ 170,809
Net noncurrent portion	76,206	73,073
Total contribution receivable, net	\$ 244,838	\$ 243,882

\*A rate of six percent is used to discount promises to give that are due or expected to be received in more than one year.

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 5. Gift Annuities Receivable**

The other non-current assets on the statements of financial position of \$4,831 and \$95,483 at December 31, 2014 and 2013 consist of receivables relating to the Council's interest in gift annuities. These gift annuities are managed by the National Council and are valued at the present value for the net amount (after fees) the Council may expect to receive as of year-end. The present value is based on applicable mortality tables and current market conditions. The valuation inputs in regards to the fair value hierarchy of ASC 820-10 are deemed to be level 3 (significant unobservable inputs). For the years ending December 31, 2014 and 2013, the Council's receivable for gift annuity interests increased (decreased) by (\$2,987) (excluding a settlement of \$87,664, which is included in contributions receivable as of December 31, 2014) and \$3,184, respectively, and these changes are included in the statements of activities and changes in net assets.

**Note 6. Land, Building and Equipment**

Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. At December 31, 2014 and 2013, the costs of such assets were as follows:

	2014	2013
Land	\$ 1,026,100	\$ 1,026,100
Buildings and improvements	11,924,184	11,670,970
Equipment	896,613	884,933
Construction in progress	3,646,995	3,305,435
Land held for sale	20,000	20,000
Total cost	17,513,892	16,907,438
Less accumulated depreciation	(6,782,345)	(6,375,719)
Net	\$ 10,731,547	\$ 10,531,719

For 2014, there was a gain on the disposal of property and equipment of \$13,700, which is included as other revenue in the statements of activities and changes in net assets. For 2014, there was also a loss on the disposal of property and equipment of \$63,912, which is included as depreciation expense in the statements of activities and changes in net assets. This includes a \$63,345 loss from sale of a cabin.

For 2013, there was a net gain on the disposal of property and equipment of \$144,347, which is included as other revenue in the statements of activities and changes in net assets. This includes \$132,000 gain from sale of mineral rights. For 2013, there was also a loss on the disposal of property and equipment of \$1,433, which is included as depreciation expense in the statements of activities and changes in net assets.

**Note 7. Line of Credit**

On June 6, 2014, the Council entered into a three year revolving line of credit agreement with a bank that allows the Council to borrow up to \$400,000. The line of credit is collateralized by the Council Service Center at 748 N. 1340 W. Orem UT, has an interest rate of Index Rate plus 0.0%. The Council did not borrow from the line of credit in 2014; therefore, the balance was \$0 at December 31, 2014.

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 8. Net Assets and Restrictions**

Temporarily restricted net assets are available for the following purposes or periods at December 31, 2014 and 2013:

	December 31, 2014		
	Operating Fund	Capital Fund	Endowment Fund
Contributions made for future years' operations	\$ 3,242,127	\$ -	\$ -
Office building and camp development	-	540,952	-
Camp maintenance	-	-	31,073
	\$ 3,242,127	\$ 540,952	\$ 31,073

	December 31, 2013		
	Operating Fund	Capital Fund	Endowment Fund
Specific programs/projects and use for future year	\$ 2,531,582	\$ -	\$ -
Investment in land, buildings and equipment	-	234,433	-
Camp maintenance	-	-	22,999
	\$ 2,531,582	\$ 234,433	\$ 22,999

Permanently restricted net assets consist of the following at December 31, 2014 and 2013:

	December 31, 2014		
	Operating Fund	Capital Fund	Endowment Fund
Permanently restricted net assets include land restricted for use as:			
Scout camp	\$ -	\$ 124,500	\$ -
Permanently restricted net assets are restricted to investment in perpetuity; the income from which is expendable to support:			
General operations	-	-	2,685,143
	\$ -	\$ 124,500	\$ 2,685,143

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 8. Net Assets and Restrictions (Continued)**

	December 31, 2013		
	Operating Fund	Capital Fund	Endowment Fund
Permanently restricted net assets include land restricted for use as:			
Scout camp	\$ -	\$ 124,500	\$ -
Permanently restricted net assets are restricted to investment in perpetuity; the income from which is expendable to support:			
General operations	-	-	2,546,180
	\$ -	\$ 124,500	\$ 2,546,180

**Note 9. Endowment**

Utah National Parks Council's endowment includes both donor-restricted endowment and funds designated by the Board of Trustees to function as endowments. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law – The Board of Trustees of the Council based on information from the Boy Scouts National Office has interpreted the Uniform Prudent Management of Institutional Funds Act as adopted by the State of Utah as not applying to the Council's endowment as the trust is managed by a corporate trustee. The Council will continue to follow the guidelines of the Investment Policy Statement and applicable state trust law in managing the funds of the endowment that are included in the trust.

As a result of this interpretation, the Council classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets or unrestricted net assets based on the existence of any donor restrictions.

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 9. Endowment (Continued)**

The Council considers the following factors in making a determination to appropriate or accumulate donor-restricted and unrestricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Council
- (7) The investment policies of the Council

Endowment net asset composition by type of fund as of December 31, 2014 and 2013 are as follows:

	December 31, 2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted in endowment fund	\$ -	\$ 31,073	\$ 2,685,143	\$ 2,716,216
Board-designated in endowment fund	525,125	-	-	525,125
Donor-restricted in capital fund	-	-	124,500	124,500
	<u>\$ 525,125</u>	<u>\$ 31,073</u>	<u>\$ 2,809,643</u>	<u>\$ 3,365,841</u>
	December 31, 2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted in endowment fund	\$ -	\$ 22,999	\$ 2,546,180	\$ 2,569,179
Board-designated in endowment fund	657,118	-	-	657,118
Donor-restricted in capital fund	-	-	124,500	124,500
	<u>\$ 657,118</u>	<u>\$ 22,999</u>	<u>\$ 2,670,680</u>	<u>\$ 3,350,797</u>

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 9. Endowment (Continued)**

Changes in endowment net assets for the years ended December 31, 2014 and 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Endowment net assets, January 1, 2013</b>	<u>\$ 362,102</u>	<u>\$ 14,758</u>	<u>\$ 2,536,334</u>	<u>\$ 2,913,194</u>
Investment return:				
Investment income	123,501	8,241	-	131,742
Net realized and unrealized gains (losses)	<u>304,804</u>	<u>-</u>	<u>-</u>	<u>304,804</u>
Total investment return	428,305	8,241	-	436,546
Contributions	-	-	9,846	9,846
Appropriation of endowment assets for expenditure	<u>(133,289)</u>	<u>-</u>	<u>-</u>	<u>(133,289)</u>
<b>Endowment net assets, December 31, 2013</b>	<u>657,118</u>	<u>22,999</u>	<u>2,546,180</u>	<u>3,226,297</u>
Investment return:				
Investment income	158,465	8,074	-	166,539
Net realized and unrealized gains (losses)	<u>(42,396)</u>	<u>-</u>	<u>-</u>	<u>(42,396)</u>
Total investment return	116,069	8,074	-	124,143
Contributions	2,025	-	163,301	165,326
Appropriation of endowment assets for expenditure	<u>(250,087)</u>	<u>-</u>	<u>-</u>	<u>(250,087)</u>
Other changes - bad debts	<u>-</u>	<u>-</u>	<u>(24,338)</u>	<u>(24,338)</u>
<b>Endowment net assets, December 31, 2014</b>	<u><u>\$ 525,125</u></u>	<u><u>\$ 31,073</u></u>	<u><u>\$ 2,685,143</u></u>	<u><u>\$ 3,241,341</u></u>

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable state law requires the Council to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2014 and 2013.

**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

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**Note 9. Endowment (Continued)**

Return objectives and risk parameters – The Council has adopted investment and spending policies 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 Council must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that it will earn a base return of 5% of the original principal, expressed in dollars, above the trailing 3 year average of the Consumer Price Index. Asset allocations should be targeted to produce expected returns consistent with this target using long term historical returns of assets classes as a guide. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives – To satisfy its long-term rate-of-return objectives, the 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 Council targets a diversified asset allocation that places a greater emphasis on equity-based investment to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objective relate to spending policy – The council has a board approved total return spending policy that allows the operating fund to receive and recognize investment earnings originating from the endowment funds. As of December 31, 2014 and 2013, the Board's approved spending policy was to distribute the unrestricted dividend and interest and releases on temporarily restricted dividend and interest earned on endowment assets during the year, which was \$136,599 and \$133,289. This is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**Note 10. Nonmonetary Transactions**

The Council received donations of materials and services for construction projects that have been recorded at various camps. These donations are recorded at their estimated value. The amount of these donations in the capital fund for 2014 and 2013 is \$0 and \$5,700. In 2013, the Council also received \$20,000 in donated land, which is included in capital campaign support. The operations fund also received noncash donations in 2014 and 2013 of \$15,130 and \$22,114.

**Note 11. National Scout Shops**

The National Council operates a Scout shop within the Orem, Utah and St. George, Utah areas. The National Council manages these Scout shops and pays the Council an 8 percent commission on gross sales up to \$750,000 (for each location), and 13 percent on sales in excess of \$750,000 (for each location). The commissions earned (before expenses) by the Council during 2014 and 2013 amounted to \$289,144 and \$278,486, respectively, for the Orem shop and \$52,365 and \$49,476, respectively, for the St. George shop. These commissions earned are included in other revenue in the statements of activities and changes in net assets.



**UTAH NATIONAL PARKS COUNCIL BOY SCOUTS OF AMERICA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2014 and 2013**

**Note 12. Employee Benefit Plans**

Defined Benefit Plan – The Boy Scouts of America has a defined benefit multiemployer retirement plan that covers eligible employees of the National Council and this Council, and is administered by the National Council. The plan name is the Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees. The Council acts as an agent for the Plan in remitting contributions. Eligible employees contribute 2 percent of compensation and the Council contributes an additional 7% to the Plan. All full-time employees are eligible to participate after one year of employment. The Council has no liability to pay retirement benefits should the Plan fail.

As the Plan is a multi-employer plan, the individual information for each employer is not available. The actuarial information for the multi-employer plan as of February 1, 2014, indicated that it is in compliance with ERISA regulations regarding funding. The assumed rate of return used in determining actuarial present values of accumulated benefits was 7.00 percent. The actuarial information stated that there was a change from the prior year in actuarial assumptions, cost method, treatment of actuarial gains and losses, and amortization of past or prior service costs. In 2014, the mortality table was changed from the RP-2000 Mortality table for annuitants and non-annuitants projected using scale AA to 2020 and 2028, respectively, to the RP-2000 Mortality table for annuitants and non-annuitants projected using scale AA to 2021 and 2029, respectively. The actuarial valuation includes all Plan amendments as of February 1, 2014.

The following is a summary of the required contribution rates, covered salaries, and Council contributions for the years ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Employee's portion	2.0%	2.0%
Employer's portion	<u>7.0%</u>	<u>7.0%</u>
Total	<u>9.0%</u>	<u>9.0%</u>
Covered salaries	<u>\$ 2,195,813</u>	<u>\$ 2,192,990</u>
Employee contributions	\$ 43,916	\$ 43,860
Employer matching contributions	<u>153,707</u>	<u>153,510</u>
Total contributions	<u>\$ 197,623</u>	<u>\$ 197,370</u>

The contributions by the Council for 2014 and 2013 were paid by the due dates or within 30 days thereafter. The Council's total payroll for 2014 and 2013 for all employees was \$3,231,734 and \$3,079,797.

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**Note 12. Employee Benefit Plans (Continued)**

The pension benefit obligation (or actuarial present value of credited accumulated benefits) is a standardized measure intended to convey the estimated obligation to provide benefits based on employee service to date. The measure helps the user to assess the funding status and progress made in accumulating sufficient assets to pay benefits when due.

The benefit formula is based on years of service and the highest three year's salaries of the last five years. The Plan is integrated with social security. The assets of the Plan are held in a master trust and are managed by professional money managers. The primary investments are in stocks, bonds, and other securities.

The following is a summary presenting the actuarial present values of credited accumulated benefits and the net assets available for benefits in the Plan as of December 31, 2014 and 2013, in which the Council participates:

Plan	Actuarial Present Value of Accumulated Projected Benefits		Book Value of Net Assets Available
	Non-Vested	Vested	
Boy Scouts of America Retirement Plan for Employees			
December 31, 2014	\$ 38,604,445	\$ 1,045,754,995	\$ 1,064,217,656
December 31, 2013	38,930,747	992,775,724	1,003,540,134

The Plan issues its own component unit financial report with a fiscal year end of January 31<sup>st</sup>. Such reports contain employee benefit provisions and ten-year historical trend data. A copy of the annual report for the Plan may be obtained from Plan Administrator, 1325 West Walnut Hill Lane, P.O. Box 152079, Irving, Texas 75015.

Defined Contribution Plan – Employees who are participating in the retirement plan are also eligible for a tax sheltered annuity program sponsored by Boy Scouts of America. Employees have a choice of several plans available. The eligible employees can contribute up to a maximum of 20% of their salary to an individual retirement annuity.

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**Note 13. Operating Lease Commitments**

The Council has entered a number of leases for its various shops and camps. Following are the more significant agreements:

St. George Scout Shop and office – \$30,000 annually (Lease is renewed on an annual basis).

Ephraim Scout Shop – \$7,200 annually (lease is renewed on an annual basis).

Beaver High Adventure Base – \$11,700 annually to the State of Utah (for up to 99 years.)

Schedule of Lease Payments – The estimated amount of lease and rent payments for the subsequent five years is as follows:

2015	\$ 79,975
2016	79,975
2017	79,975
2018	79,975
2019	<u>79,975</u>
Total	<u>\$ 399,875</u>

Total rent and lease expense for 2014 and 2013 is \$81,021 and \$82,965.

**Note 14. Prior Period Adjustment**

An adjustment to net assets of \$250,000 is made in the 2014 financial statements to recognize an unrecorded cabin that was donated to the Council in a previous year. The 2013 balances do not incorporate this prior-period adjustment.