

PRAIRIELANDS COUNCIL #117  
BOY SCOUTS OF AMERICA  
CHAMPAIGN, ILLINOIS

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2015 AND 2014

Draft

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
CHAMPAIGN, ILLINOIS

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT .....	1-2
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF CHANGES IN NET ASSETS .....	4-5
STATEMENTS OF FUNCTIONAL EXPENSES .....	6-7
STATEMENTS OF CASH FLOWS .....	8
NOTES TO FINANCIAL STATEMENTS.....	9-26

Draft

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
PrairieLands Council #117 Boy Scouts of America  
Champaign, Illinois

We have audited the accompanying financial statements of PrairieLands Council #117 Boy Scouts of America (a nonprofit organization) which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of 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 audits. We conducted our audits 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 PrairieLands Council #117 Boy Scouts of America as of December 31, 2015 and 2014, 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.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP

Certified Public Accountants and Consultants

Champaign, Illinois

April 18, 2016

Draft

PrairieLands Council #117 Boy Scouts of America  
 Statements of Financial Position  
 As of December 31, 2015 and 2014

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash and Cash Equivalents	\$ 126,963	\$ 57,973	\$ 42,205	\$ 36,989	\$ -	\$ 200	\$ 169,168	\$ 95,162
Accounts Receivable	19,493	37,664	-	-	-	-	19,493	37,664
Contributions Receivable, Net	-	2,141	-	-	2,400	1,600	2,400	3,741
Inventory	44,973	44,303	-	-	-	-	44,973	44,303
Prepaid Expenses	4,704	11,306	-	-	-	-	4,704	11,306
Investments	-	-	-	-	1,153,330	1,193,396	1,153,330	1,193,396
Total Current Assets	196,133	153,387	42,205	36,989	1,155,730	1,195,196	1,394,068	1,385,572
<b>Noncurrent Assets</b>								
Property and Equipment, Net	-	-	1,392,066	1,444,253	-	-	1,392,066	1,444,253
Total Noncurrent Assets	-	-	1,392,066	1,444,253	-	-	1,392,066	1,444,253
Total Assets	\$ 196,133	\$ 153,387	\$ 1,434,271	\$ 1,481,242	\$ 1,155,730	\$ 1,195,196	\$ 2,786,134	\$ 2,829,825
<b>LIABILITIES AND NET ASSETS</b>								
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Accounts Payable	\$ 6,926	\$ 14,104	\$ -	\$ 175	\$ -	\$ -	\$ 6,926	\$ 14,279
Deferred Revenue	12,720	7,861	-	-	-	-	12,720	7,861
Custodial Accounts	25,385	23,696	351	351	-	-	25,736	24,047
Total Current Liabilities	45,031	45,661	351	526	-	-	45,382	46,187
<b>Net Assets</b>								
Unrestricted:								
Undesignated	131,993	84,924	-	-	-	-	131,993	84,924
Board Designated	19,109	22,802	1,406,870	1,453,923	724,940	770,165	2,150,919	2,246,890
Temporarily Restricted	-	-	27,050	26,793	4,313	4,313	31,363	31,106
Permanently Restricted	-	-	-	-	426,477	420,718	426,477	420,718
Total Net Assets	151,102	107,726	1,433,920	1,480,716	1,155,730	1,195,196	2,740,752	2,783,638
Total Liabilities and Net Assets	\$ 196,133	\$ 153,387	\$ 1,434,271	\$ 1,481,242	\$ 1,155,730	\$ 1,195,196	\$ 2,786,134	\$ 2,829,825

The accompanying notes are an integral part of this financial statement.

PrairieLands Council #117 Boy Scouts of America  
 Statements of Changes in Net Assets  
 For the Years Ended December 31, 2015 and 2014

	Operating Fund		Capital Fund		Endowment Fund		2015 Total	2014 Total
	2015	2014	2015	2014	2015	2014		
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>								
<b>Support and Revenue</b>								
<i>Direct Support</i>								
Friends of Scouting, Net of Bad Debt Expense of \$8,592 in 2015 and \$6,826 in 2014	\$ 175,098	\$ 175,884	\$ -	\$ -	\$ -	\$ -	\$ 175,098	\$ 175,884
Special Fundraising Events, Net of Direct Costs of \$23,405 in 2015 and \$9,448 in 2014	106,291	54,136	-	-	-	-	106,291	54,136
In-Kind Contributions	17,556	-	-	-	-	-	17,556	-
Other Support	23,650	29,729	-	-	-	-	23,650	29,729
Total Direct Support	322,595	259,749	-	-	-	-	322,595	259,749
<i>Indirect Support</i>								
United Way	50,875	52,172	-	-	-	-	50,875	52,172
Total Support	373,470	311,921	-	-	-	-	373,470	311,921
<i>Revenue</i>								
Trading Post Sales, Net of Cost of Sales of \$85,134 in 2015 and \$79,908 in 2014	39,405	40,003	-	-	-	-	39,405	40,003
Popcorn Sales, Net of Cost of Sales of \$132,318 in 2015 and \$134,396 in 2014 and Commissions Paid to Units of \$147,017 in 2015 and \$152,083 in 2014	163,829	167,915	-	-	-	-	163,829	167,915
Candy Bar Sales, Net of Cost of Sales of \$95,797 in 2015 and \$90,527 in 2014	28,819	30,330	-	-	-	-	28,819	30,330
Camp Income, Net of Cost of Sales of \$24,633 in 2015 and \$13,181 in 2014	231,818	166,676	-	-	-	-	231,818	166,676
Other Program Activities	52,758	69,674	-	-	-	-	52,758	69,674
Investment Income (Loss), Net	16,964	20,064	-	-	(45,225)	18,753	(28,261)	38,817
Other Income	15,628	21,052	-	-	-	-	15,628	21,052
Gain (Loss) on Disposal of Property and Equipment	-	-	-	(6,691)	-	-	-	(6,691)
Total Revenue	549,221	515,714	-	(6,691)	(45,225)	18,753	503,996	527,776
<b>Net Assets Released from Restrictions</b>								
Release of Purpose Restrictions on Net Assets	-	-	4,743	7,088	-	-	4,743	7,088
Total Reclassifications of Net Assets	-	-	4,743	7,088	-	-	4,743	7,088
Total Support and Revenue	922,691	827,635	4,743	397	(45,225)	18,753	882,209	846,785
<b>Expenses</b>								
<i>Program Services</i>								
	687,371	624,284	44,704	47,197	-	-	732,075	671,481
<i>Supporting Services</i>								
Management and General	93,440	100,873	16,712	10,280	-	-	110,152	111,153
Fundraising	76,457	78,795	2,794	2,950	-	-	79,251	81,745
Total Supporting Services	169,897	179,668	19,506	13,230	-	-	189,403	192,898
<i>Charter and National Service Fee</i>								
	9,633	10,434	-	-	-	-	9,633	10,434
Total Expenses	866,901	814,386	64,210	60,427	-	-	931,111	874,813
<b>Change in Unrestricted Net Assets</b>	\$ 55,790	\$ 13,249	\$ (59,467)	\$ (60,030)	\$ (45,225)	\$ 18,753	\$ (48,902)	\$ (28,028)

The accompanying notes are an integral part of this financial statement.

PrairieLands Council #117 Boy Scouts of America  
 Statements of Changes in Net Assets  
 For the Years Ended December 31, 2015 and 2014

	Operating Fund		Capital Fund		Endowment Fund		2015 Total	2014 Total
	2015	2014	2015	2014	2015	2014		
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>								
<b>Support and Revenue</b>								
<i>Direct Support</i>								
Capital Campaign	\$ -	\$ -	\$ 5,000	\$ 12,700	\$ -	\$ -	\$ 17,700	\$ 12,700
<i>Indirect Support</i>								
United Way	-	-	-	-	-	-	-	-
Total Support	-	-	5,000	12,700	-	-	17,700	12,700
<b>Net Assets Released from Restrictions</b>								
Release of Purpose Restrictions on Net Assets	-	-	(4,743)	(7,088)	-	-	(11,831)	(7,088)
Total Reclassifications of Net Assets	-	-	(4,743)	(7,088)	-	-	(11,831)	(7,088)
Total Support and Revenue	-	-	257	5,612	-	-	5,869	5,612
<b>Change in Temporarily Restricted Net Assets</b>	-	-	257	5,612	-	-	5,869	5,612
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>								
<b>Support and Revenue</b>								
<i>Direct Support</i>								
James E. West Fellowships	-	-	-	-	3,000	2,118	3,000	2,118
Other Contributions	-	-	-	-	2,759	6,266	2,759	6,266
Total Direct Support	-	-	-	-	5,759	8,384	5,759	8,384
<b>Change in Permanently Restricted Net Assets</b>	-	-	-	-	5,759	8,384	5,759	8,384
<b>SUMMARY OF CHANGES IN NET ASSETS</b>								
<b>Net Assets, Beginning of Year</b>								
Unrestricted Net Assets	107,726	107,213	1,453,923	1,501,217	770,165	751,412	4,691,656	2,359,842
Temporarily Restricted Net Assets	-	-	26,793	21,181	4,313	4,313	56,600	25,494
Permanently Restricted Net Assets	-	-	-	-	420,718	412,334	833,052	412,334
Total Net Assets, Beginning of Year	107,726	107,213	1,480,716	1,522,398	1,195,196	1,168,059	5,581,308	2,797,670
<b>Transfers</b>								
Unrestricted	(12,414)	(12,736)	12,414	12,736	-	-	-	-
Net Transfers	(12,414)	(12,736)	12,414	12,736	-	-	-	-
<b>Net Assets, End of Year</b>								
Unrestricted Net Assets	151,102	107,726	1,406,870	1,453,923	724,940	770,165	3,844,561	2,331,814
Temporarily Restricted Net Assets	-	-	27,050	26,793	4,313	4,313	58,156	31,106
Permanently Restricted Net Assets	-	-	-	-	426,477	420,718	426,477	420,718
Total Net Assets, End of Year	\$ 151,102	\$ 107,726	\$ 1,433,920	\$ 1,480,716	\$ 1,155,730	\$ 1,195,196	\$ 4,329,194	\$ 2,783,638

The accompanying notes are an integral part of this financial statement.

PrairieLands Council #117 Boy Scouts of America  
Statement of Functional Expenses  
For the Year Ended December 31, 2015

	Supporting Services			2015 Total	
	Program Services	Management and General	Fund Raising		Total Supporting Services
<i>Employee Compensation</i>					
Salaries	\$ 283,332	\$ 55,569	\$ 30,690	\$ 86,259	\$ 369,591
Employee Benefits	30,367	5,956	3,289	9,245	39,612
Payroll Taxes	21,412	3,274	1,808	5,082	26,494
Retirement Plan	14,095	2,764	1,527	4,291	18,386
Total Employee Compensation	<u>349,206</u>	<u>67,563</u>	<u>37,314</u>	<u>104,877</u>	<u>454,083</u>
<i>Other Expenses</i>					
Advertising	14,146	3,287	1,550	4,837	18,983
Assistance	7,264	-	-	-	7,264
Awards	20,076	705	18,256	18,961	39,037
Bank Service Charges	-	6,364	-	6,364	6,364
Conferences and Meetings	4,494	605	334	939	5,433
Equipment Rental	14,832	2,150	1,188	3,338	18,170
Food	60,671	-	-	-	60,671
Insurance	30,547	5,355	1,785	7,140	37,687
Printing and Postage	18,341	-	4,295	4,295	22,636
Professional Fees	10,055	7,435	628	8,063	18,118
Repairs and Maintenance	34,229	704	885	1,589	35,818
Sanitation and Janitorial	7,179	427	142	569	7,748
Supplies	39,721	984	754	1,738	41,459
Telephone	6,945	786	262	1,048	7,993
Travel	1,377	372	205	577	1,954
Utilities	26,388	1,187	396	1,583	27,971
Vehicle Expense	23,534	3,499	1,166	4,665	28,199
In-Kind PR Services	17,556	-	-	-	17,556
Miscellaneous	810	347	7,297	7,644	8,454
Total Other Expenses	<u>338,165</u>	<u>34,207</u>	<u>39,143</u>	<u>73,350</u>	<u>411,515</u>
Total Expenses Before Depreciation	687,371	101,770	76,457	178,227	865,598
<i>Depreciation</i>	<u>44,704</u>	<u>8,382</u>	<u>2,794</u>	<u>11,176</u>	<u>55,880</u>
Total Functional Expenses	<u>\$ 732,075</u>	<u>\$ 110,152</u>	<u>\$ 79,251</u>	<u>\$ 189,403</u>	<u>\$ 921,478</u>

The accompanying notes are an integral part of this financial statement.



PrairieLands Council #117 Boy Scouts of America  
Statement of Functional Expenses  
For the Year Ended December 31, 2014

	Supporting Services			Total Supporting Services	2014 Total
	Program Services	Management and General	Fund Raising		
<i>Employee Compensation</i>					
Salaries	\$ 270,336	\$ 54,312	\$ 29,996	\$ 84,308	\$ 354,644
Employee Benefits	30,372	6,102	3,370	9,472	39,844
Payroll Taxes	19,987	3,258	1,799	5,057	25,044
Retirement Plan	13,828	2,778	1,534	4,312	18,140
Total Employee Compensation	<u>334,523</u>	<u>66,450</u>	<u>36,699</u>	<u>103,149</u>	<u>437,672</u>
<i>Other Expenses</i>					
Advertising	205	38	4,315	4,353	4,558
Assistance	10,718	-	-	-	10,718
Awards	15,077	227	17,758	17,985	33,062
Bank Service Charges	-	5,822	-	5,822	5,822
Conferences and Meetings	4,090	478	264	742	4,832
Equipment Rental	10,536	1,985	1,096	3,081	13,617
Food	62,437	-	-	-	62,437
Insurance	31,721	5,540	1,847	7,387	39,108
Printing and Postage	17,103	-	8,105	8,105	25,208
Professional Fees	717	11,589	45	11,634	12,351
Repairs and Maintenance	15,723	1,696	665	2,361	18,084
Sanitation and Janitorial	9,618	410	137	547	10,165
Supplies	35,844	1,024	566	1,590	37,434
Telephone	6,892	797	266	1,063	7,955
Travel	7,940	309	171	480	8,420
Utilities	21,867	1,208	403	1,611	23,478
Vehicle Expense	34,499	3,843	1,281	5,124	39,623
Miscellaneous	4,774	888	5,177	6,065	10,839
Total Other Expenses	<u>289,761</u>	<u>35,854</u>	<u>42,096</u>	<u>77,950</u>	<u>367,711</u>
Total Expenses Before Depreciation	624,284	102,304	78,795	181,099	805,383
<i>Depreciation</i>	<u>47,197</u>	<u>8,849</u>	<u>2,950</u>	<u>11,799</u>	<u>58,996</u>
Total Functional Expenses	<u>\$ 671,481</u>	<u>\$ 111,153</u>	<u>\$ 81,745</u>	<u>\$ 192,898</u>	<u>\$ 864,379</u>

The accompanying notes are an integral part of this financial statement.

PrairieLands Council #117 Boy Scouts of America  
 Statements of Cash Flows  
 For the Years Ended December 31, 2015 and 2014

	Operating Fund		Capital Fund		Endowment Fund		2015	2014
	2015	2014	2015	2014	2015	2014	Total	Total
<b>Cash Flows from Operating Activities</b>								
Change in Net Assets	\$ 43,376	\$ 513	\$ (46,796)	\$ (41,682)	\$ (39,466)	\$ 27,137	\$ (42,886)	\$ (14,032)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:								
Depreciation	-	-	55,880	58,996	-	-	55,880	58,996
Net Realized and Unrealized (Gains) Losses on Investments	-	-	-	-	54,694	(10,138)	54,694	(10,138)
(Gain) Loss on Disposal of Property and Equipment	-	-	-	6,691	-	-	-	6,691
Contributions Restricted for Long-Term Purposes	-	-	-	-	-	3,200	-	3,200
Decrease (Increase) in Assets:								
Accounts Receivable	18,171	(28,741)	-	-	-	-	18,171	(28,741)
Contributions Receivable, Net	2,141	1,289	-	-	(800)	(800)	1,341	489
Inventory	(670)	(3,539)	-	-	-	-	(670)	(3,539)
Interfund Loans	-	(5,000)	-	5,000	-	-	-	-
Prepaid Expenses	6,602	3,027	-	-	-	-	6,602	3,027
Increase (Decrease) in Liabilities:								
Accounts Payable	(7,178)	5,141	(175)	175	-	-	(7,353)	5,316
Custodial Accounts	1,689	2,069	-	-	-	-	1,689	2,069
Deferred Revenue	4,859	(12,246)	-	-	-	-	4,859	(12,246)
Total Adjustments	25,614	(38,000)	55,705	70,862	53,894	(7,738)	135,213	25,124
Net Cash Provided by (Used in) Operating Activities	68,990	(37,487)	8,909	29,180	14,428	19,399	92,327	11,092
<b>Cash Flows from Investing Activities</b>								
Purchase of Property and Equipment	-	-	(3,693)	(13,567)	-	-	(3,693)	(13,567)
Purchase of Investments	-	-	-	-	-	(7,384)	-	(7,384)
Proceeds from Sale of Investments	-	-	-	-	17,405	20,064	17,405	20,064
Reinvested Interest, Dividends, and Capital Gains net of Fees	-	-	-	-	(26,274)	(28,679)	(26,274)	(28,679)
Net Cash Provided by (Used in) Investing Activities	-	-	(3,693)	(13,567)	(8,869)	(15,999)	(12,562)	(29,566)
<b>Cash Flows from Financing Activities</b>								
Proceeds from Permanently Restricted Contributions	-	-	-	-	(5,759)	(3,200)	(5,759)	(3,200)
Net Cash Provided by (Used in) Financing Activities	-	-	-	-	(5,759)	(3,200)	(5,759)	(3,200)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	68,990	(37,487)	5,216	15,613	(200)	200	74,006	(21,674)
<b>Cash and Cash Equivalents, Beginning of Year</b>	57,973	95,460	36,989	21,376	200	-	95,162	116,836
<b>Cash and Cash Equivalents, End of Year</b>	\$ 126,963	\$ 57,973	\$ 42,205	\$ 36,989	\$ -	\$ 200	\$ 169,168	\$ 95,162
<b>Supplemental Information</b>								
Amount Paid for Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The PrairieLands Council #117 Boy Scouts of America (the “Council”) was formed January 1, 1992 as the result of a consolidation of the Piankeshaw Council #739 and the Arrowhead Council #117. The Council is based in Champaign, Illinois and covers East-Central Illinois and West-Central Indiana. The Council’s only camping facility is Camp Drake. The Council is a not-for-profit organization devoted to promoting, within the territory covered by the charter from time to time granted it by the Boy Scouts of America and in accordance with the Bylaws, and Rules and Regulations of the Boy Scouts of America, the Scouting program of promoting the ability of boys and young men and women to do things for themselves and others, training them in Scoutcraft, and teaching them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by the Boy Scouts of America.

The Council’s programs are classified as follows:

*Tiger Cubs* – One-year, family oriented program for a group of teams, each consisting of a first-year (or 7-year-old) boy and adult partner (usually a parent). A tiger cub den is part of the Cub Scout pack.

*Cub Scouting* – Family and community-centered approach to learning citizenship, compassion, and courage through service projects, ceremonies, games, and other activities promoting character development and physical fitness.

*Boy Scouting* – With the Scout Oath and Scout Law as guides, and the support of parents and religious and neighborhood organizations, Scouts develop an awareness and appreciation of their role in their community and become well-rounded young men through achievements, gain additional knowledge and responsibilities, and earn merit badges that introduce a lifelong hobby or a rewarding career.

*Varsity Scouting* – Program for young men ages 14-17 that provides options for those who are looking for rugged high adventure or challenging sporting activities and still want to be a part of a Scouting program that offers the advancement opportunities and values of Boy Scouts of America. There are five fields of emphasis, including advancement, high-adventure sports, personal development, services, and special programs and events.

*Venturing* – Provides experiences to help young men and women, ages 14 (or 13 with completion of the eighth grade) through 20, become mature, responsible, caring adults. Young teens learn leadership skills and participate in challenging outdoor activities, including having access to Boy Scout camping properties, a recognition program, and youth protection training.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

*Learning for Life* – Program to enable young people to become responsible individuals by teaching positive character traits, career development, leadership, and life skills so they can make ethical choices and achieve their full potential.

The Council's website address is [www.prairielandsbsa.org](http://www.prairielandsbsa.org).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Subsequent Events

Management has evaluated subsequent events through April 18, 2016, the date which the financial statements were available to be issued.

B. Basis of Presentation

The Council prepares financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, 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.

C. Basis of Accounting

The financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Accordingly, the accounts of the Council are reported in the following net asset categories:

- *Unrestricted Net Assets* – Unrestricted net assets represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors.
- *Temporarily Restricted Net Assets* – Temporarily restricted net assets represent contributions that are restricted by the donor as to purpose or time of expenditure.
- *Permanently Restricted Net Assets* – Permanently restricted net assets represent resources that have donor-imposed restrictions requiring that the principal be maintained in perpetuity but permit the Council to expend the income earned thereon.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting

To ensure observance of limitations and restrictions placed upon the use of the available resources, the financial statements of the Council are presented 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's funds are:

- *Operating Fund* – Represents unrestricted funds available for operations, Board-designated funds for the ScoutReach program, and funds temporarily restricted by donors for various purposes.
- *Capital Fund* – Represents funds temporarily restricted by donors and Board-designated funds available for construction and maintenance of the Council's properties.
- *Endowment Fund* – Represents funds permanently or temporarily restricted by donors for various purposes, board designated funds that have been placed in a trust account for permanent investment, and earnings that have not yet been transferred to the other funds.

E. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

F. Cash and Cash Equivalents

Cash and cash equivalents are defined as highly liquid investments with original maturities of 90 days or less. 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 risk.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable

Accounts receivable are recorded primarily for product sales at estimated realizable value. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. Accounts receivable are written off as a charge to the allowance for doubtful accounts when, in management's estimation, it is probable that the receivable is worthless. No allowance for doubtful accounts was considered necessary as of December 31, 2015 and 2014.

I. Inventory

Inventory consists of Scouting and other items available for resale and is stated at lower of cost or market. Cost is determined using the average method.

J. Investments

Investments consist primarily of assets invested in marketable equity and debt securities and money-market accounts. The Council accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations (ASC 958-320 and subsections). This standard requires that investments in equity securities with readily determinable fair values and all investment in debt securities be measured at fair value in the statement of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. The realized and unrealized gain or loss on investments is reflected in the statement of changes in net assets.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. 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.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Investment Policy

The Council's investment policy intends for the Council to invest in assets that would produce results exceeding the investment's purchase price and ensure a significant yield of return, while assuming a moderate level of investment risk. The Council expects its endowment fund, over time, to provide a reasonable rate of return. To satisfy the long-term rate-of-return objective, 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 marketable equity and debt securities and money-market accounts to achieve its long-term return objectives within prudent risk constraints.

L. Spending Policy

On April 30, 2012, the board of directors (through the executive committee) approved an endowment spending policy. The policy states that expenditure in any one year will not exceed interest and dividends of the combined unrestricted and restricted funds less applicable management fees. The executive committee (subject to the board of director's approval) may amend this spending policy.

M. Property and Equipment

The Council capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair market value at the date of donation. Improvements and 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. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

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

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Impairment of Long-Lived Assets

The Council reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long-lived assets during 2015 and 2014.

O. Contributions

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Council. An allowance for uncollectible promises to give is recorded based on an analysis of collection histories and on reviews of the credit worthiness of major donors. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. 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 are reported in the statement of changes in net assets as assets released from restrictions.

P. Donated Materials and Services

Donated property, equipment, investment, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Council reports the donations as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services that do not require specialized skills or enhance non-financial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Council's program services and its fundraising campaigns, the value of which is not recorded in the accompanying financial statements.



PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Council providing those services. In accordance with the policy of the National Council of the Boy Scouts of America (the “National Council”), the payment of the charter and national service fees to the National Council is not allocated as functional expenses.

R. Deferred Revenue

Resources received in exchange transactions for specific projects, programs, or activities that have not yet taken place are reported as deferred revenue to the extent that the earnings process has not been completed. The revenue is recognized in the year the activities occur.

S. Income Tax Status

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Council is classified as a public charity. The Council is also exempt from state income tax. The Council currently has no unrelated business income.

The Council assesses whether it is more likely than not that a tax position will be sustained upon examination of the technical merits or the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of the tax position is not recognized in the financial statements. The Council recorded no assets or liabilities for uncertain tax positions or unrecognized tax benefits. Federal returns for the years ended 2012 and thereafter remain subject to examination by the Internal Revenue Service.

T. Recent Accounting Pronouncements

New accounting standards are now issued by the Financial Accounting Standards Board (FASB) through Accounting Standards Updates (ASU’s) to the FASB ASC. The FASB does not consider the updates authoritative on a standalone basis; they become authoritative when incorporated into the ASC. The ASU’s will be a six digit, two-segment format (20YY-XX) where YY is the year issued and XX is the sequential number of each update. So, ASU 2013-01 would be the first update issued in 2013, and so forth.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Recent Accounting Pronouncements (Continued)

*Statement of Cash Flows (Topic 230), Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows (ASU 2013-05)*— Issued in October 2013, the amendments in this update require a local council to classify cash receipts from the sale of donated financial assets (e.g., stocks, bonds, and other contractual claims) as cash inflows from operating activities, unless the donor restricted the use of the contributed resources to long-term purposes, in which case those cash receipts should be classified as cash inflows from financing activities and shall be simultaneously reported as cash outflows from investing activities. ASU 2013-05 is effective for fiscal years beginning after June 15, 2013, with an early adoption permitted under certain circumstances.

*Derivatives and Hedging (Topic 815), Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes (ASU 2013-10)*—The amendments in this update permit the Fed Funds Effective Swap Rate (also referred to as the Overnight Index Swap Rate) to be used as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815, in addition to interest rates on direct Treasury obligations of the U.S. government and the London Interbank Offered Rate. The amendments also remove the restriction on using different benchmark rates for similar hedges. The amendments are effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013.

NOTE 3 – INVESTMENTS

Investments at December 31, 2015 and 2014 are composed of the following:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Money Market Accounts	\$ 45,126	\$ 45,126	\$ 34,074	\$ 34,074
Common Stocks	286,286	374,074	284,448	378,813
Corporate Bonds	303,859	305,640	302,401	306,880
Mutual Funds - Fixed Income	131,066	109,611	195,882	178,647
Mutual Funds - Equities	323,449	318,879	270,396	294,982
Total Investments	\$ 1,089,786	\$ 1,153,330	\$ 1,087,201	\$ 1,193,396

The following schedule summarizes the investment return in the statement of changes in net assets for the years ended December 31, 2015 and 2014:

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

NOTE 3 – INVESTMENTS (CONTINUED)

	2015	2014
Interest and Dividends	\$ 38,754	\$ 39,939
Net Realized and Unrealized Gains (Losses)	(54,694)	10,138
Management Fees	(12,321)	(11,260)
Gain (Losses) on Investments Held by Council	\$ (28,261)	\$ 38,817

Income from interest and dividends on investments and realized and unrealized gains and losses on the sale of investments net of investment fees (“Investment Income”) are recorded initially in the endowment fund. Distributions of Investment Income from the endowment fund are recorded as income by the operating and capital funds in the period in which the distributions are made in accordance with the Council’s spending policy (Note 2). The Council has elected to report a portion of the investment earnings as revenue in the operating fund, as a portion of these earnings are included in the annual operating budget. For the years ending December 31, 2015 and 2014, distributions of investment income from the endowment fund to the operating fund totaled \$16,964 and \$20,064, respectively.

NOTE 4 – SUMMARY OF FAIR VALUE EXPOSURE

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Council has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

*Fair Value Measurement* defines fair value as the amount that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- Level 1: Quoted prices in active markets for identical securities.
  
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
  
- Level 3: Significant unobservable inputs (including the Council’s own assumptions in determining the fair value of investments). The inputs are methodology used for valuing the Council’s financial assets and liabilities, and are not indicators of the risk associated with those assets and liabilities.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

**NOTE 4 – SUMMARY OF FAIR VALUE EXPOSURE (CONTINUED)**

The following tables provide fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2015 and 2014:

	2015			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money Market Accounts	\$ 45,126	\$ -	\$ -	45,126
Common Stocks	374,074	-	-	374,074
Corporate Bonds	305,640	-	-	305,640
Mutual Funds - Fixed Income	109,611	-	-	109,611
Mutual Funds - Equities	318,879	-	-	318,879
Total Investments	<b>\$ 1,153,330</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,153,330</b>
	2014			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money Market Accounts	\$ 34,074	\$ -	\$ -	34,074
Common Stocks	378,813	-	-	378,813
Corporate Bonds	306,880	-	-	306,880
Mutual Funds - Fixed Income	178,647	-	-	178,647
Mutual Funds - Equities	294,982	-	-	294,982
Total Investments	<b>\$ 1,193,396</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,193,396</b>

**NOTE 5 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable at December 31, 2015 and 2014 consist of the following:

	2015	2014
Friends of Scouting	\$ -	\$ 6,647
1910 Society	2,400	1,600
Subtotal	2,400	8,247
Less: Allowance for uncollectible pledges	-	(4,506)
Total	<b>\$ 2,400</b>	<b>\$ 3,741</b>

Total outstanding contributions receivable as of December 31, 2015 and 2014 were due in less than one year.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2015 and 2014 consists of the following:

	<u>Useful Lives</u>	<u>2015</u>	<u>2014</u>
Land		\$ 468,136	\$ 468,136
Land Improvements	7 - 20 years	526,327	526,327
Buildings	10 - 39 years	791,929	791,929
Furniture, Fixtures, & Equipment	5 - 10 years	216,267	216,267
Vehicles	3 - 5 years	16,868	13,175
Camp Improvements	20 years	263,106	263,106
Total Property and Equipment		<u>2,282,633</u>	<u>2,278,940</u>
Less: Accumulated Depreciation		<u>(890,567)</u>	<u>(834,687)</u>
Property and Equipment, Net		<u>\$ 1,392,066</u>	<u>\$ 1,444,253</u>

Depreciation expense at December 31, 2015 and 2014 was \$55,880 and \$58,996, respectively.

NOTE 7 – NET ASSETS – DESIGNATIONS AND RESTRICTIONS

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level the donor of SPMIFA requires the Council to retain as permanently restricted. Deficiencies of this nature result from unfavorable market fluctuations and would be included in unrestricted net assets. There were no deficiencies as of December 31, 2015 and 2014.

Substantially all of the restrictions on net assets at the end of 2015 are related to funds raised through the ongoing capital and endowment campaigns to help prepare the Council for future Scouting needs.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

NOTE 7 – NET ASSETS – DESIGNATIONS AND RESTRICTIONS (CONTINUED)

Board designated net assets are available for the following purposes at December 31, 2015, and 2014:

	<u>2015</u>	<u>2014</u>
Endowment funds subject to a restriction by board designation or by SPMIFA:		
With purpose restrictions: General Operations	\$ 724,940	\$ 770,165
Total Endowment Funds - Board Designated	<u>724,940</u>	<u>770,165</u>
Capital funds subject to a restriction by board designation:		
With purpose restrictions: Property and Equipment	1,397,380	1,444,433
With purpose restrictions: Camp Drake Reserve	<u>9,490</u>	<u>9,490</u>
Total Capital Funds - Board Designated	<u>1,406,870</u>	<u>1,453,923</u>
With purpose restrictions: ScoutReach Program	<u>19,109</u>	<u>22,802</u>
Total Operating Funds - Board Designated	<u>19,109</u>	<u>22,802</u>
Total Board Designated Net Assets	<u><u>\$2,150,919</u></u>	<u><u>\$2,246,890</u></u>

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

NOTE 7 – NET ASSETS – DESIGNATIONS AND RESTRICTIONS (CONTINUED)

Temporarily restricted net assets are available for the following purposes at December 31, 2015, and 2014:

	2015	2014
Endowment funds subject to a time restriction by explicit donor stipulation or by SPMIFA:		
With purpose restrictions: Building Campaigns	\$ 4,313	\$ 4,313
Total Endowment Funds - Temporarily Restricted	4,313	4,313
Capital funds subject to a time restriction by explicit donor stipulation:		
With purpose restrictions: Improvements to Camp Drake	2,190	2,190
With purpose restrictions: Rifle Range Campaign	7,637	8,102
With purpose restrictions: First Time Campers Shelter	3,067	3,067
With purpose restrictions: Aquatic Equipment	424	424
With purpose restrictions: Manard Memorial	2,653	2,653
With purpose restrictions: Danville Office	26	26
With purpose restrictions: Zip Line	722	-
With purpose restrictions: Service Center Computers	6,281	6,281
With purpose restrictions: Redmond Property	4,050	4,050
Total Capital Funds - Temporarily Restricted	27,050	26,793
Total Temporarily Restricted Net Assets	\$ 31,363	\$ 31,106

Permanently restricted net assets are available for the following purposes at December 31, 2015, and 2014:

	2015	2014
Permanently restricted endowment gifts required to be retained either by explicit donor stipulations or by		
James E. West Fellowship and 1910 Society	\$ 426,477	\$ 420,718
Total Permanently Restricted Net Assets	\$ 426,477	\$ 420,718

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015 AND 2014

NOTE 8 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2015 and 2014 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors. Net assets released were the following:

	2015	2014
Camp Drake Rifle Range	\$ 465	\$ 1,179
Camp Drake Zip Line	4,278	-
Service Center Computers	-	5,909
Total Released From Restrictions	\$ 4,743	\$ 7,088

NOTE 9 –LEASE COMMITMENTS

The Council is the lessee of major movable equipment under operating leases expiring through 2019. Rental expenses reported for the years ended December 31, 2015 and 2014 were \$971 and \$3,925, respectively.

Minimum future rental payments under non-cancelable operating leases having terms in excess of one year as of December 31, 2015 are due as follows:

Years Ending December 31,		
2016	\$	1,040
2017		1,040
2018		913
2019		69
	\$	3,062



PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 10 – ENDOWMENT FUND

The Council's endowment fund includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Unrestricted net assets, identified by the Council's board of directors to be used for future investment and growth, are included in unrestricted net assets – board designated.

The Council has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. 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-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund:

- (1) The duration and preservation of the fund
- (2) The purposes of the Council 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

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 10 – ENDOWMENT FUND (CONTINUED)

Changes in the endowment net assets for the years ended December 31, 2015, and 2014 are as follows:

	<u>Unrestricted - Non-Board Designated</u>	<u>Unrestricted - Board Designated</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Fund net assets December 31, 2013	\$ -	\$ 751,412	\$ 4,313	\$ 412,334	\$1,168,059
Investment return	-	18,753	-	-	18,753
Contributions	-	-	-	8,384	8,384
Endowment Fund net assets December 31, 2014	-	770,165	4,313	420,718	1,195,196
Investment return	-	(45,225)	-	-	(45,225)
Contributions	-	-	-	5,759	5,759
Endowment Fund net assets December 31, 2015	<u>\$ -</u>	<u>\$ 724,940</u>	<u>\$ 4,313</u>	<u>\$ 426,477</u>	<u>\$1,155,730</u>

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 11 – EMPLOYEE BENEFIT PLANS

A. Defined Benefit Retirement Plan

The National Council has a qualified defined benefit pension plan (the “Plan”) administered at the national office that covers employees of the National Council and local councils, including PrairieLands Council #117 Boy Scouts of America. The plan name is the *Boy Scouts of America Master Pension Trust – Boy Scouts of America Retirement Plan for Employees* and covers all employees who have completed one year of service and who have agreed to make contributions. Eligible employees contribute 2 percent of compensation, and the council contributes an additional 7 percent to the plan. Pension expense (excluding the contributions made by employees) was \$18,386 and \$18,140 in 2015 and 2014, respectively, and covered current service cost. The actuarial information for the plan as of February 1, 2015 indicates that it is in compliance with ERISA regulations regarding funding.

The actuarial present value of vested accumulated plan benefits as of February 1, 2015 was \$1,077,770,319 and the amount of the plans’ net assets available for benefits was \$1,146,842,343. The assumed rate of return used in determining actuarial present values of accumulated benefits was 7 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 cost. In 2015, the unit credit method, as required under the Pension Protection Act of 2006, is used in the actuarial valuation; amortization of gains and losses is over seven years; and the amortization of past or prior service cost is seven years. The actuarial valuation includes all plan amendments as of February 1, 2015.

B. 401(k) Plan

The Council has established a 401(k) plan covering substantially all of the employees of the Council. Participants in the 401(k) plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Internal Revenue Code of 1986, as amended. The Council does not match the employee’s contributions to the 401(k) plan.

C. Health Care Plan

The Council’s employees participate in a health care plan provided by the National Council. The Council pays a portion of the cost for the employees, and the employees pay the remaining portion and the cost for any of their dependents participating in the plan. During the years ended December 31, 2015 and 2014, the Council remitted approximately \$34,523 and \$34,778, respectively, on behalf of its employees to the National Council related to the health care plan.

PRAIRIELANDS COUNCIL #117 BOY SCOUTS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014

NOTE 12 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2015 and 2014, the Council entered into various related party transactions with companies owned and operated by various members of the Council's board of directors. Total services provided by companies owned and operated by various members of the Council's board of directors during the years ended December 31, 2015 and 2014, were \$25,117 and \$10,265, respectively.

The Council received donations from members of the board of directors or entities that are controlled by a member of the board of directors. Total related party donations for the years ended December 31, 2015 and 2014 were \$96,251 and \$77,819, respectively.

Draft