

# **Boy Scouts of America Mid-America Council 2020 Budget**

**It is the mission of the Boy Scouts of America 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.**

To make it easier to compare the year to year financials, the attached summary budget has been created. Most notably, Jubilee and Jamboree figures are being shown at the bottom of the summary as a net total. This ensures that these events, which only happen every 2 to 4 years, do not cause fluctuations on both the income and expense lines. A few special contribution sections have also been created to clearly show the yearly fundraising results. The standard monthly financials presented in 2020 will not be separated out in this fashion.

Despite building a 2019 budget on a 3-year average of revenue where outliers were removed to give management clear trends, there were several surprises that were not able to overcome. Those will be addressed through the budget narrative below. Despite revenue surprises, expenses will come in under budget for 2019.

For 2020 we are proposing a different funding model for the council related to Popcorn. This will move revenue from Q4 to Q1 and allow management time to adjust if necessary. One of the headwinds our movement is facing the Financial Restructuring of the National Council. From the latest Scout Executive Conference call on December 8<sup>th</sup> it looks like a filing will occur in Mid-January or early February. Good communication and telling the good news of what we do as an organization, is planned to combat donor insecurity. How we structure the staff for the future will be important to ensure good service to units. There could be a situation where a middle manager position needs to be reduced to enable the Council to support unit service.

A concentrated effort was made to build the 2020 budget by basing it on the past three years of history with adjustments for any outliers, such as the 2016 Citizen of the Year, so as not to skew the results. This produced an income level that is very conservative in nature and with which both professionals and volunteers have a high degree of confidence. With that said, it should be known that the budget numbers detailed below are not the goals for each campaign. The goals will stretch us to produce and grow while the conservative budget will ensure any shortfalls from goals will not cause us to have a deficit position at the end of the year.

Headwinds still affecting the council include that United Way giving has dropped from \$468,000 in 2014 down to \$110,000 in 2019. At the same time, Scoutreach programs have grown now with expenses over \$325,000. The Exploring program costs; which also is not fully funded, has \$100,000 in expenses. In 2020 our camping properties are budgeted to run a deficit of nearly \$100,000. Funding these areas will be important to financial sustainability in the future. Budgets prior to 2018 had a vacancy allowance of 6% built into the compensation line to account for employee vacancies. Some years this was met, but other years it was not. For 2020, the compensation line assumes a full staff throughout the year. Any vacancies would help act as a safety net for any shortfalls that may occur.

Operating Fund - Unrestricted	Actuals				Budget	Forecast	Budget
	2015	2016	2017	2018	2019	2019	2020
<b>Support and Revenue</b>							
<b>Direct Support</b>							
1) Annual Giving (net of uncollectable)	1,308,084	1,274,096	1,244,587	1,168,319	1,244,331	1,153,512	1,280,095
2) Special Events - Net	318,367	481,514	398,243	334,868	426,207	274,272	468,150
3) Legacies and Bequests	11,675			5,588		600	
<b>Total Direct Support</b>	<b>1,638,126</b>	<b>1,755,610</b>	<b>1,642,830</b>	<b>1,508,775</b>	<b>1,670,538</b>	<b>1,428,384</b>	<b>1,748,245</b>
<b>Indirect Support</b>							
4) Associated Organizations	1,800	5,490					
5) United Way	403,626	275,053	184,402	133,432	129,065	110,031	100,916
<b>Total Indirect Support</b>	<b>405,426</b>	<b>280,543</b>	<b>184,402</b>	<b>133,432</b>	<b>129,065</b>	<b>110,031</b>	<b>100,916</b>
<b>Other Revenue</b>							
6) Sale of Supplies - Net	117,352	131,513	120,568	114,670	121,500	107,945	109,684
7) Product Sales - Net	1,343,282	1,416,603	1,317,686	1,201,945	1,270,273	1,173,467	662,500
8) Investment Income from Endowment	693,385	758,932	829,888	882,444	932,193	940,201	998,245
9) Camping	959,105	1,084,777	995,767	986,411	1,093,208	915,122	827,400
10) Activities	191,569	168,513	172,175	128,890	136,711	129,994	112,678
11) Other Revenue	120,317	111,737	216,752	335,467	245,975	162,273	129,508
<b>Total Revenue</b>	<b>3,425,010</b>	<b>3,672,076</b>	<b>3,652,838</b>	<b>3,649,827</b>	<b>3,799,860</b>	<b>3,429,002</b>	<b>2,840,015</b>
<b>Total Support and Revenue</b>	<b>5,468,562</b>	<b>5,708,229</b>	<b>5,480,070</b>	<b>5,292,034</b>	<b>5,599,463</b>	<b>4,967,417</b>	<b>4,689,176</b>
<b>Expenses</b>							
12) Salaries	2,744,199	2,731,874	2,637,818	2,480,642	2,649,284	2,585,133	2,639,844
13) Employee Benefits	452,360	469,884	465,741	444,652	478,225	461,566	451,270
14) Payroll Taxes Expense	223,528	233,570	223,631	217,968	213,925	215,631	228,029
15) Employee Related Expenses	3,079	18,031	66,669	13,608	7,935	53,533	2,435
<b>Total Employee Compensation</b>	<b>3,423,166</b>	<b>3,453,359</b>	<b>3,393,859</b>	<b>3,156,870</b>	<b>3,349,369</b>	<b>3,315,862</b>	<b>3,321,578</b>
<b>Other Expenses</b>							
16) Professional Fees	134,234	130,089	125,322	159,394	147,270	173,230	162,966
17) Supplies	484,202	579,090	500,947	429,763	505,524	450,172	432,578
18) Telephone	37,433	38,047	34,285	30,767	32,020	30,922	30,580
19) Postage and Shipping	33,718	30,264	26,205	21,176	31,887	28,164	28,118
20) Occupancy	297,242	296,429	308,450	317,553	268,966	278,389	272,985
21) Rental and Maintenance of Equipment	92,501	93,771	90,312	77,086	99,359	107,437	91,709
22) Publications and Media	98,897	116,921	108,138	112,173	121,705	95,948	112,357
23) Travel	200,972	206,289	165,332	176,889	200,264	189,564	168,135
24) Conferences / Meetings / Events	196,123	136,018	145,226	130,838	152,843	133,459	110,409
25) Specific Assistance to Individuals	85,253	128,669	119,817	103,056	103,540	109,274	117,525
26) Recognition and Awards	269,209	293,980	267,969	297,161	291,175	165,188	183,655
27) Interest Expense				1,841	7,000	5,846	1,500
28) Insurance	100,642	120,820	143,535	144,157	133,673	132,607	70,817
29) Other Expenses	73,653	89,959	70,591	68,610	70,649	57,844	53,984
30) Charter and National Service Fee	78,418	78,772	83,750	83,750	83,850	83,850	83,850
<b>Total Other Expenses</b>	<b>2,182,497</b>	<b>2,339,118</b>	<b>2,189,879</b>	<b>2,154,215</b>	<b>2,249,725</b>	<b>2,041,893</b>	<b>1,921,168</b>
<b>Total Expenses</b>	<b>5,605,663</b>	<b>5,792,477</b>	<b>5,583,738</b>	<b>5,311,085</b>	<b>5,599,094</b>	<b>5,357,755</b>	<b>5,242,746</b>
<b>Net Revenue / Expense</b>	<b>-137,101</b>	<b>-84,248</b>	<b>-103,668</b>	<b>-19,051</b>	<b>369</b>	<b>-390,338</b>	<b>-553,570</b>
31) Miscellaneous - one time items*	75,000		50,000			395,000	523,000
32) Special Scoutreach Contributions	65,000	70,000					
33) Jamboree net of direct expenses			54,912				
34) Jubilee net of direct expenses		17,524		25,029			30,850
<b>Net Total</b>	<b>2,899</b>	<b>3,276</b>	<b>1,244</b>	<b>5,978</b>	<b>369</b>	<b>4,662</b>	<b>280</b>

\* 2015: \$75k from Capital campaign to cover operating costs and management of campaign.

2017: \$50k special distribution from the endowment fund.

2019: \$115k one time gift plus \$280k special distribution from the endowment fund.

2020: \$523k special distribution from the endowment fund to cover gap year before council membership fee becomes active in 2021.

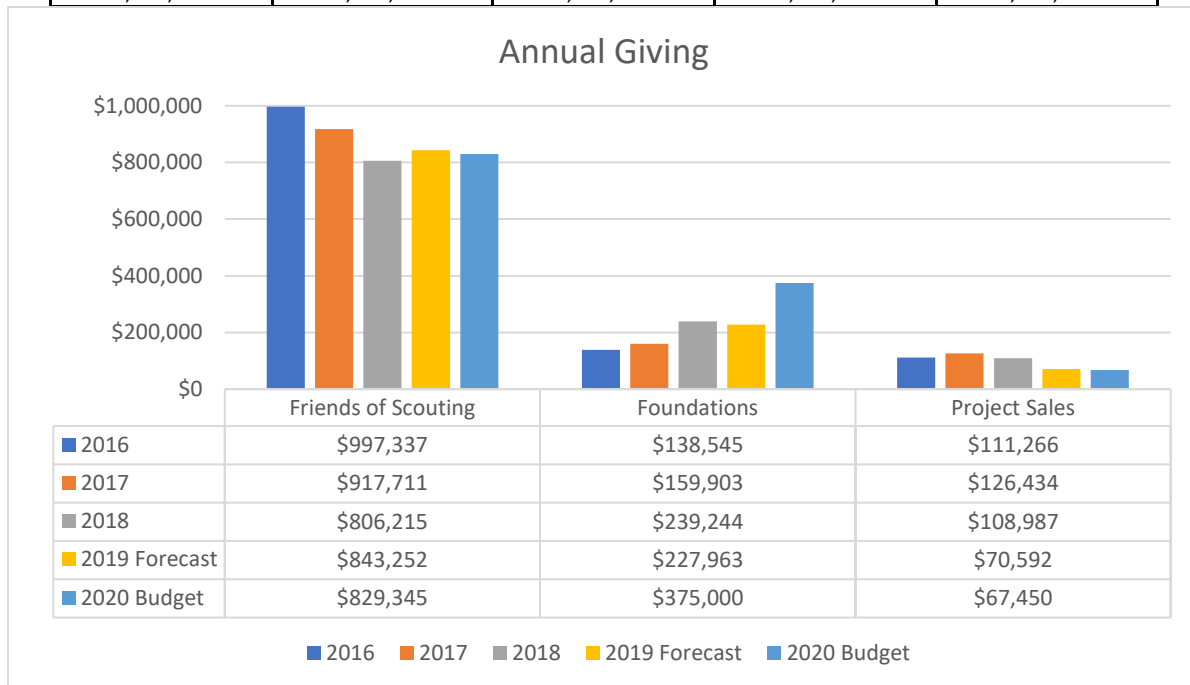
# Support and Revenue

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
5,708,229	5,480,070	5,292,034	4,967,417	4,690,576

Support and Revenue is budgeted to fall \$277,000. The main reason for this is the increase of popcorn commission being given to units. Starting in 2021, the increase in commission will be offset by the council membership fee.

## Annual Giving – Line 1

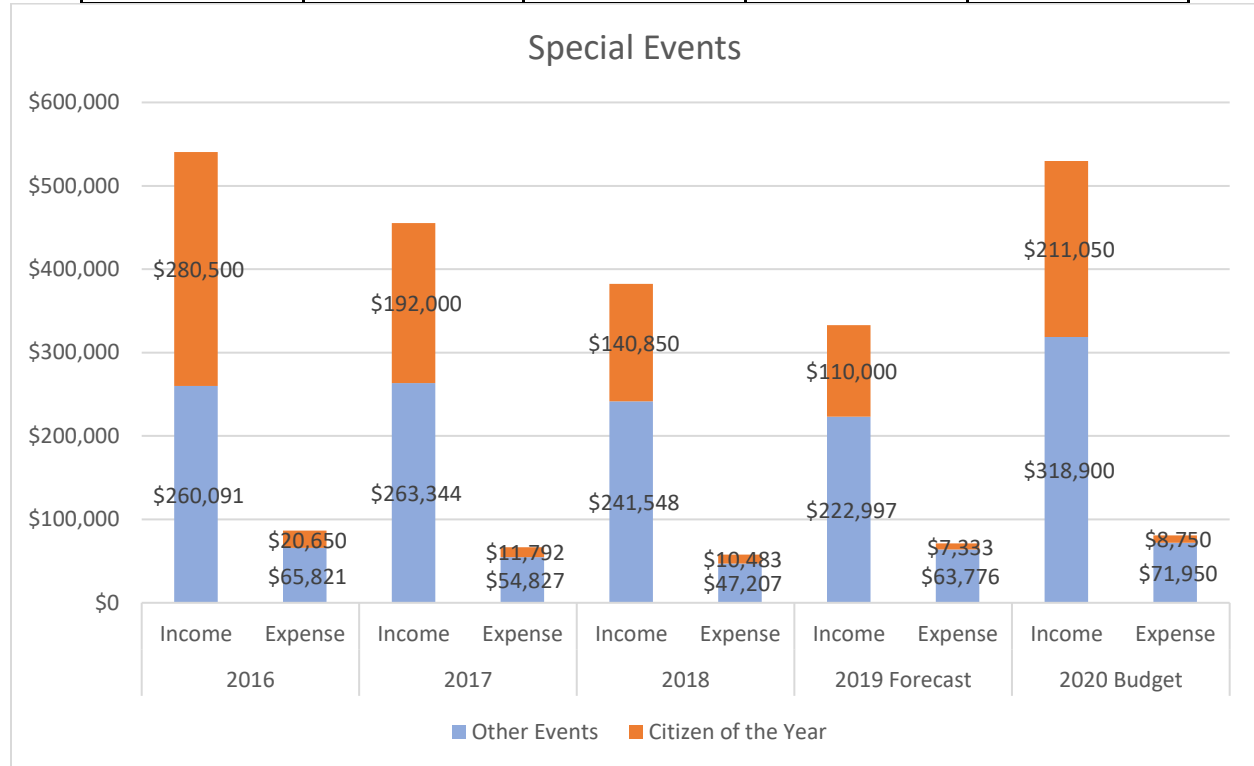
Actuals			Forecast	Budget
2016	2017	2018	2019	2020
1,274,096	1,244,587	1,168,319	1,153,512	1,280,095



The Annual Giving line is budgeted at 4% higher than the five-year average. A large focus is being put on Foundations to fund the Scoutreach programs that used to be supported by United Way funding. There were many great inroads made on this front in 2019 and 2020 will see some of those discussions come to fruition in the form of support.

## Special Events – Line 2

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
481,514	398,243	334,868	274,272	469,550



The number of special events will increase by two in 2020. The six traditional special events of: Mad Men, Citizen of the Year Luncheon, Shoot-Out, Sioux City Golf Tournament, Exploring Golf Tournament, and Metro Golf Tournament will occur. In 2019 the Beers & Bags event was added. The two new events are a Distinguished Citizen Luncheon in Sioux City and a Shoot Out in Sioux City.

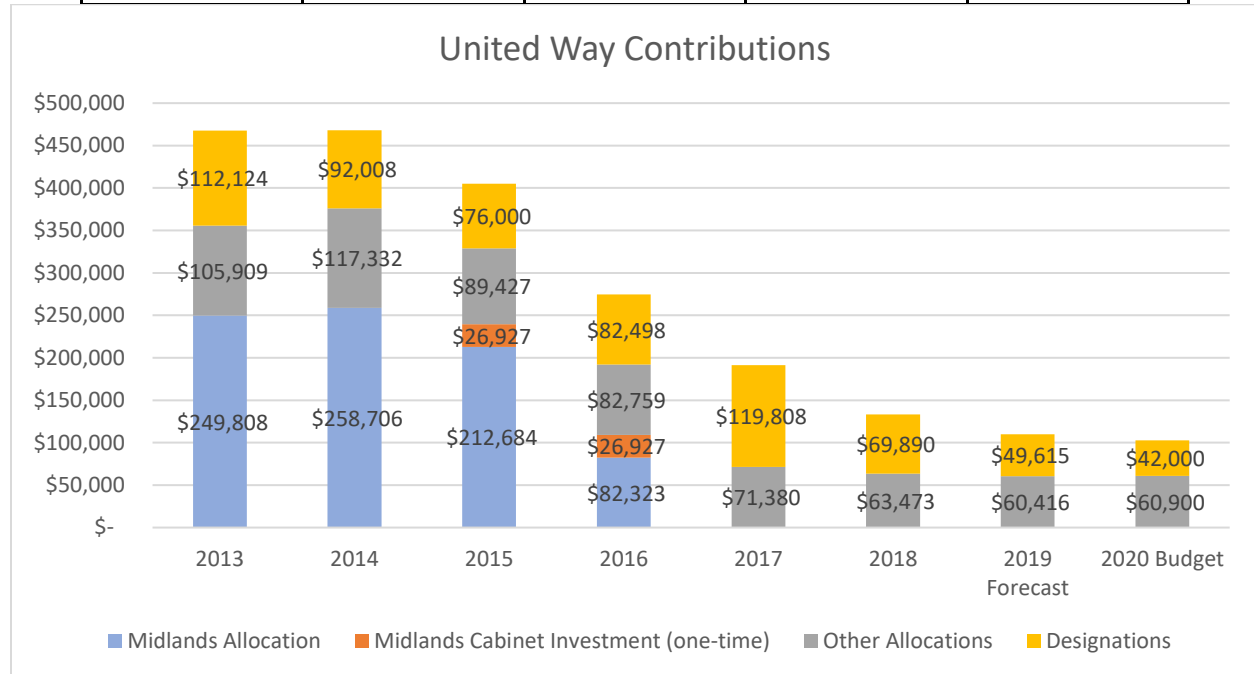
In 2019 the traditional Shoot-Out had to be reworked due to the loss of the facility it has traditionally been held at. This created a lot of additional work and added some expenses that we have not had in the past. With the legwork done in 2019, this event is set-up for the future to continue. The Mad Men event had it's best year ever in 2019 with some new features of the event. The plan is to continue that in 2020 and beyond.

## Legacies and Bequests – Line 3

Due to the uncertainty of the nature of legacies and bequests this line is budgeted at zero.

## United Way – Lines 5

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
275,053	184,402	133,432	110,031	100,916



In 2016 the board of directors of the Mid-America Council decided to not apply for funding from United Way of the Midlands because of significant allocation decreases. Designation dollars are recorded as revenue in the year they are received by the Council due to the uncertainty that surrounds the pledges donors make to the United Way.

The Council continues to receive allocation funding in other communities including: Sioux City, Columbus, Le Mars, Spencer, and Fort Dodge.

## Sale of Supplies – Line 6

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
131,513	120,568	114,670	107,945	109,684

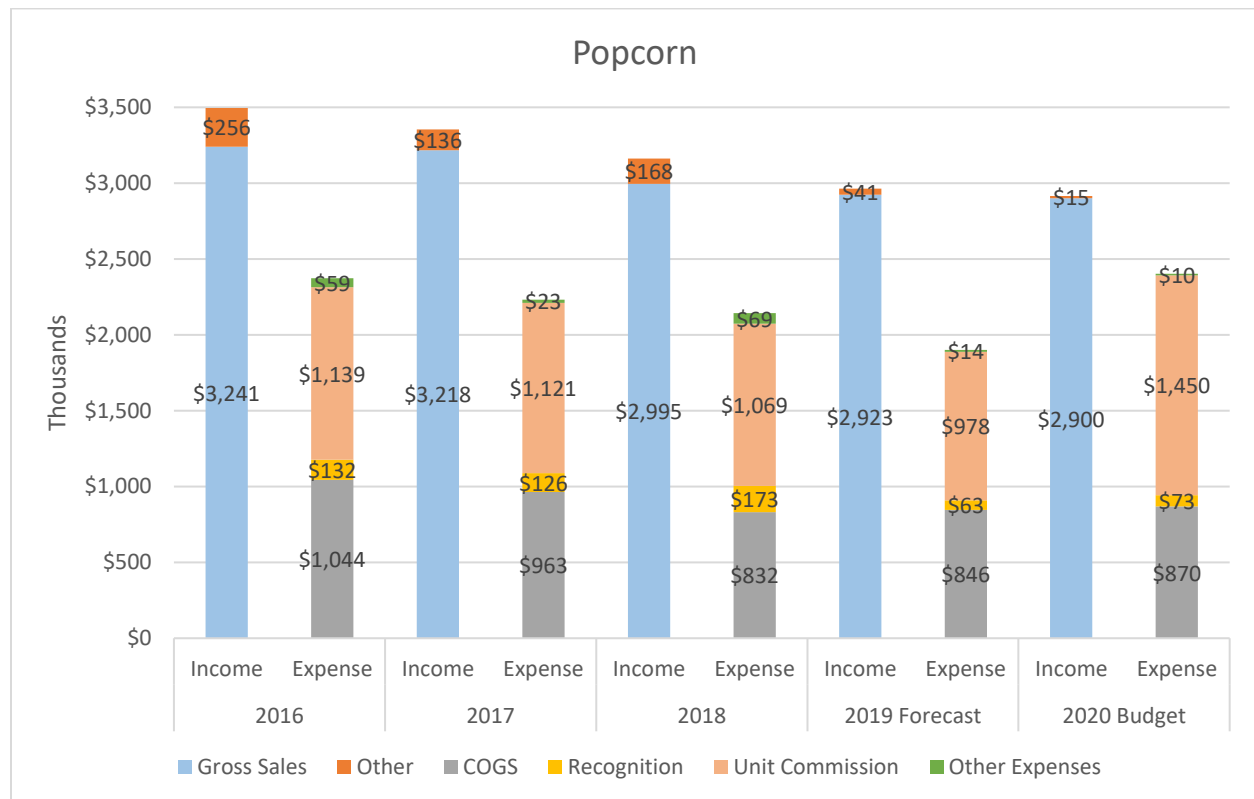
This line is a combination of the commission received from the National office for the Gottschalk Scout Shop in Omaha and the Scout Shop the Council runs in Sioux City. There is also a small shop in the Norfolk area that is maintained by a business on a volunteer basis. There will be a small bump in 2020 due to Jubilee merchandise.

## Product Sales – Line 7

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
1,416,603	1,317,686	1,201,945	1,173,467	662,500

The net income of popcorn and camp card sales is after cost of goods and unit commissions. Each year Scouts are given an opportunity to participate in the Council's main fundraisers, benefiting both the Council and local units.

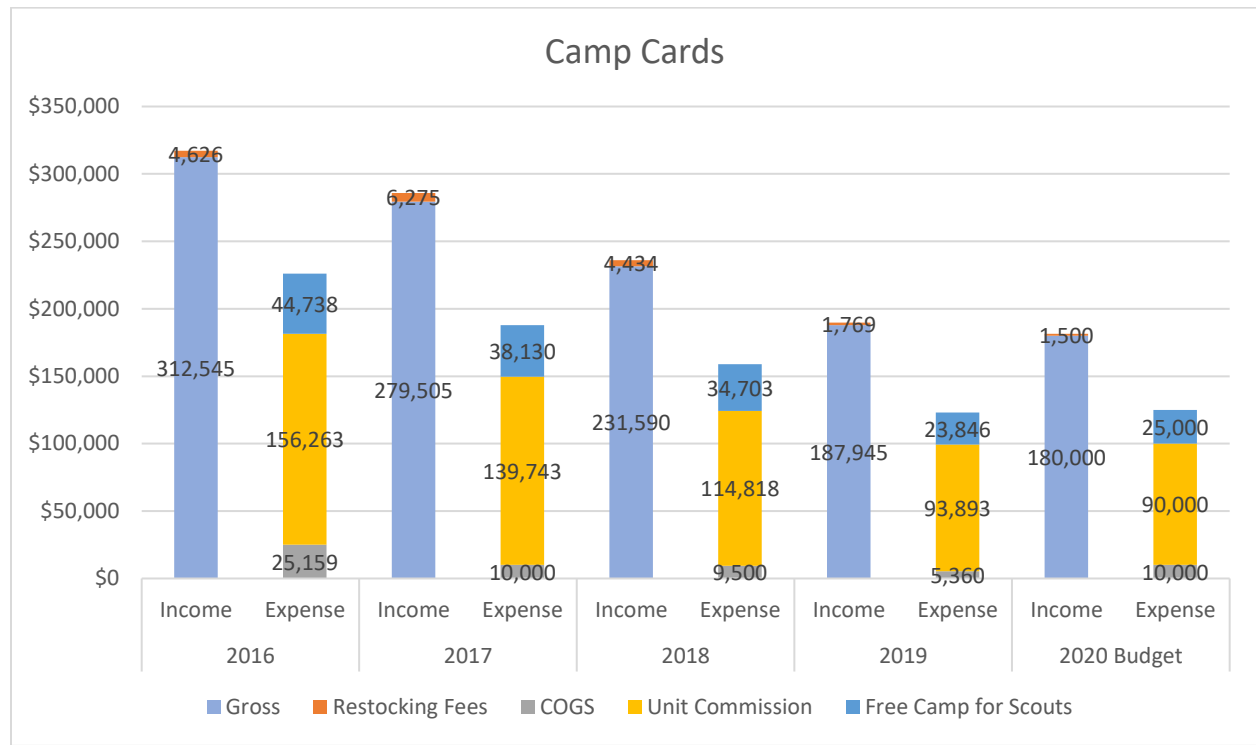
### Popcorn



The popcorn sale generates over \$1 million for units that enable them to deliver the Scouting program. The council pays for prizes and allows the units to return unsold product. There were some big changes in 2019 with the addition of a popcorn app. The popcorn company pays the credit card fees. They also provide the awards with the council being charged 1.5% of sales. The rewards include Amazon gift cards, high seller rewards, popcorn recognition events, and scholarships.

In 2020, the plan is to increase unit commission from the average of 34% to 50%. This will give units a greater incentive to sell popcorn as it matches the commission percentage that many fundraisers offer; with the downside that other fundraisers do not benefit the council.

## Camp Cards



The camp card program started in 2012 to help Scouts earn a free camp. This program has great value to units; 50% commission and free camps for Scouts who sell at certain levels.

## Investment Income – Line 8

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
758,932	829,888	882,444	940,201	998,245

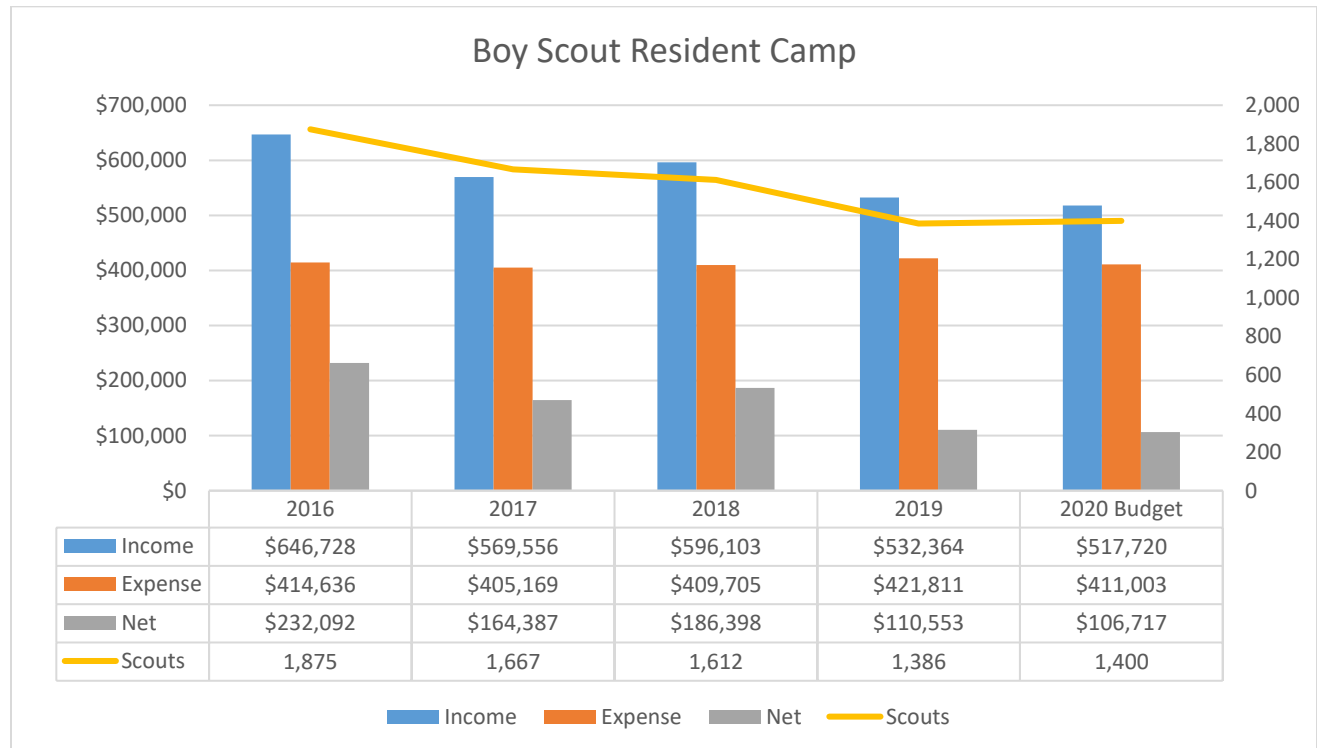
\$849,912 is budgeted from the general endowment fund. This represents the 5% of the average market value over the last three years that the Council’s spending policy calls for. In addition, there is \$58,064 from the Olson Trust to cover expenses in the Petah La Shauro district and \$63,144 from the Wiebe and LSSR Camp Maintenance funds. There is \$25,550 for scholarships.

## Camping – Line 9

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
1,084,777	995,767	986,411	915,122	827,400

We have considered the average decrease in camp attendance and have budget for that number in 2020, while increasing efforts to get units and youth to all our camps. This is a very conservative budget number for 2020. Next year there will incentives to attend camp that support the strategic plan. There are discounts for adults for giving to ICC and being fully trained in their position. For youth there are discounts for the family giving through ICC and their participation in the popcorn sale. Scout BSA Resident camp fees are increasing \$5 per youth and Cub Resident camp fees are decreasing to attract more families. Because of the uncertainty of the Missouri River and the flooding the last 2 years, we are suspending T-SHAB until alternative treks can be planned.

## Boy Scout Resident Camp



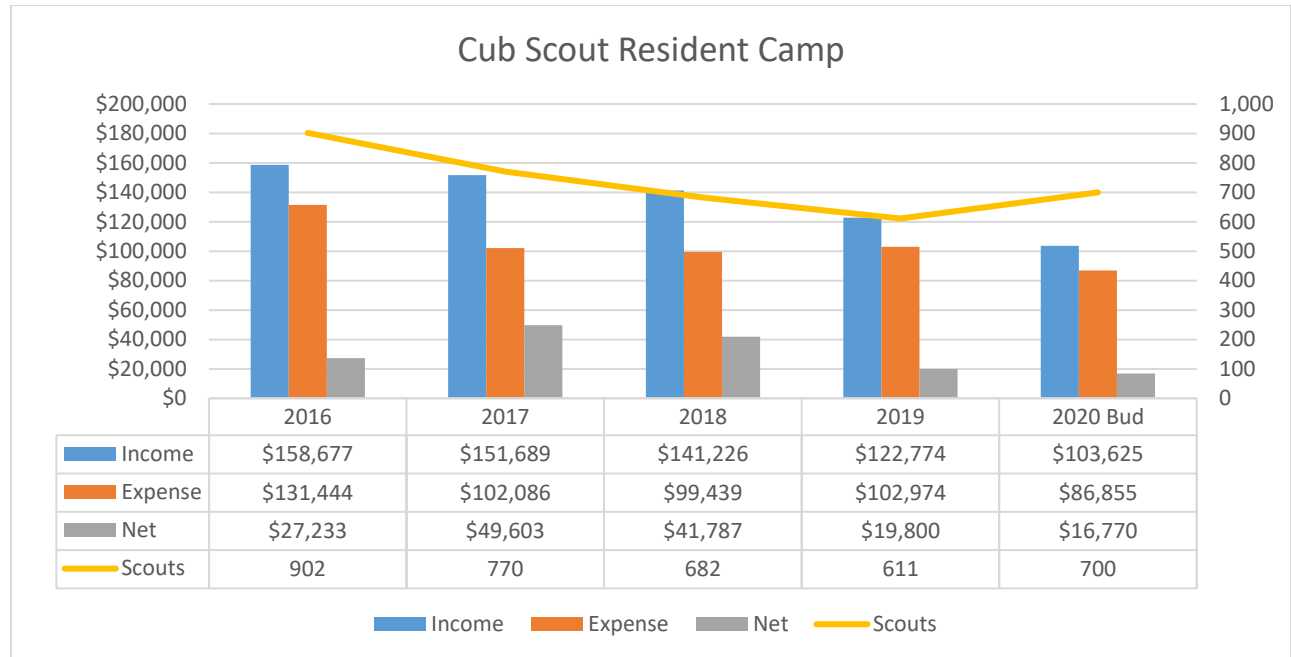
	2016	2017	2018	2019	2020 Bud
# MAC Boy Scouts Attending:	1,524	1,316	1,234	1,089	1,100
# MAC Boy Scouts (registered 6/30):	4,334	4,168	3,902	3,817	
% MAC Boy Scouts Attending:	35.2%	31.6%	31.6%	28.5%	

# Out of Council Scouts Attending:	351	389	378	297	300
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Ralph Morocco, Camp Director, lead the operation in 2019 and will return in 2020. There was a large drop off in attendance in 2019 that continued the trend over the last 10 years. The focus is on getting Scouts signed-up for camp earlier as many unit are signing up late and not giving time for their families to plan. All programs and staff positions are being evaluated at Cedars for their effectiveness. No real changes have occurred to the operation over the last 10 years despite a substantial drop in attendance. Focusing on recruiting a sold camp staff and providing quality program and good food will get Cedars heading in the right direction.

### Cub Scout Resident Camp



	2016	2017	2018	2019	2020 Bud
# MAC Cub Scouts Attending:	769	735	635	599	675
# MAC Cub Scouts (registered 6/30):	8,175	8,622	7,779	7,630	
% MAC Cub Scouts Attending:	9.4%	8.5%	8.2%	7.9%	

# Out of Council Scouts Attending:	133	35	47	12	25
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Sarah Wisecup is the Council Program Director focusing in Cub Scout Camping and serving as Camp Director for Camp Amikaro in 2020. The cost of Amikaro had been increased in large percentages since it started in 2013. It had risen to the levels of costing \$215 for a cub and a parent to attend for a weekend. In 2020, the cost will be a more reasonable \$150. The expenses at Amikaro will be greatly reduced as the staffing costs for the kitchen were greater than the staffing costs of the rest of the camp. A camp employee will now prepare the food instead of a contractor.

## Activities – Line 10

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
168,513	172,175	128,890	129,994	112,678

This line includes all events that are not accredited camping related. This includes district camporees, pinewood derby's, district dinners, cub onboarding events, and much, much more. Total revenue in this area will decrease slightly in 2020 due to fall camporees that will not take place because of Jubilee.

There is a concentrated effort to reduce the number of events in districts that are offering too many. If a district has too many events without proper volunteer leadership in place it creates a burden on the District Executives and does not normally produce a quality product.

## Other Revenue – Line 11

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
111,737	216,752	335,467	162,273	129,508

This income is from sources of revenue that does not belong anywhere else. The largest amounts are funds for the popcorn ball and an insurance recovery fee collected at charter renewal. For 2020 Charters, the per person insurance recovery fee is \$8. See line 28 for a breakdown of the insurance costs.

## Expenses

### Salaries – Line 12

Actuals			Forecast	Budget
2016	2017	2018	2019	2020
2,731,874	2,637,818	2,480,642	2,585,133	2,639,844

Salary expenses make up the largest portion of the Council's expenses. Staff members (29 full-time professionals along with 8 full-time and 2 part-time support/administrative staff, 3 Rangers, and 1 full-time & 20 part-time Outreach program aids) supporting and empowering volunteers (nearly 5,000 adult volunteers are active and registered in our Council) help drive and deliver the Scouting program to the thousands of youth members involved (over 17,000 youth members registered). This is a reduction of 1 middle management position compared to last year. The goal is to maintain the field service positions as they have direct involvement with the volunteers in each area. The salary line item includes summer camp staff salaries at \$161,000 and Part-time Outreach salaries of \$126,000.

Individual salaries are budgeted to increase on average 2.5% which is below the 3% that the national office 2019 budgeting guidelines called for. Even with the salary increase pool, total employee compensation is in line with past years. It is higher than 2018 but there were several vacancies that were carried to ensure a balanced budget was reached.

**Employee Benefits** – Line 13: Represents group accident, life, and medical insurances, retirement plan, long-term disability, and dental assistance. Most benefits have a slight increase in premiums for 2019. Medical premiums on an average basis are decreasing slightly for the Council and are flat for employees. For the pension / BSA Match Savings Plan (403(b)), the council pays 7.75% of salary for all full-time personnel regardless of the individual employees participation.

Benefit	2020 Budget
Medical	\$228,830
Pension / BSA Match Savings Plan (403(b))	\$180,588
Group Accident & Life Insurance	\$15,454
Dental	\$14,664
Long-Term Disability Insurance	\$11,734
<b>Total</b>	<b>\$451,270</b>

**Payroll Taxes** – Line 14: Represents social security, unemployment and workman’s compensation insurance. Unemployment claims have been less in the last few years because of improved staff retention and our experience rate for workers compensation is improving.

**Employee Related Expenses** – Line 15: Represents interview and moving expenses for staff positions. In 2017, NEI was contracted with to assist with relocating employees into the Mid-America Council. The 2019 expenses were high in this area because of the expense involved with interviewing and moving three tenured professionals to the council. There are no plans to do this in 2020.

**Professional Fees** – Line 16: This expense includes auditor fees, legal fees, payroll services, National technology payments, and computer/website support. Below are the top items included:

Category	2020 Budget
Financial Audit	\$32,000
Computer Support & Back-up of Systems	\$30,000
Legal Services (Mostly Gift-In-Kind)	\$27,500
Marketing	\$17,000
National Council Technology Fees	\$14,100
Website	\$11,100
<b>Total</b>	<b>\$131,700</b>

**Supplies** – Line 17: Includes all District and Council program supplies, food and commissary, sanitation, office supplies, A/V, catering. The membership campaign has been greatly enhanced the last couple of years and will continue to be a focus in future years as we align our budget with the strategic plan. There will be an increase in camp food costs to ensure that everyone gets enough to eat. There were a couple of negative reviews from last year on the quantity of food. Below are the top 5 lines from the Supplies budget.

Category	2020 Budget
Food and Commissary – Boy Scout Resident Camp	\$125,000
Program Supplies – Boy Scout Resident Camp	\$41,000
Food & Commissary & Catering – Cub Resident Camp	\$25,000
Catering - Governors Luncheon	\$25,000
Technology – Online Event Registration/Management	\$19,300
<b>Total</b>	<b>\$235,300</b>

**Telephone** – Line 18: The Council maintains phone service for the Scouting Centers and camps. Staff members who are required to use their cell phones receive a flat partial monthly reimbursement.

**Postage & Shipping** – Line 19: The Council generates mailings to support volunteers, provide communication, and for fundraising and membership efforts. This line also includes the costs to handle and distribute popcorn.

**Occupancy** – Line 20: This line includes office space rent for our Sioux City Scout Center, utilities, janitorial costs, repairs and property maintenance, licenses and permits, as well as rental fees charged to district and Council activities. The decrease in this line for 2018-2020 is for not budgeting for renting a Popcorn Warehouse (\$30,000) as it was/will be provided by the popcorn vendor. The offsetting gift-in-kind is budgeted less as well.

**Rental and Maintenance of Equipment** – Line 21: This is the cost of repairing, renting and maintaining equipment, such as copy machines, computers, and camp equipment.

**Publications and Media** – Line 22: Includes in-house and outsourced printing. A few of the large items are: ICC materials, Activity Guide, and Ideal Year of Scouting Guide. Many of our publications are printed with gift-in-kind services.

**Travel** – Line 23: Includes camp vehicle repair and licensing, leasing of vehicle for the Scout Executive, fuel, oil, and staff travel expenses. This line also includes travel costs for the council High Adventure contingents. In 2019 a new monthly stipend with a smaller per mile reimbursement has helped decrease this cost for the council.

**Conferences & Meetings & Events** – Line 24: Scouting professionals attend a professional development series required during their first three years of employment. Funds in this category also underwrite the costs of training experiences for professional staff members, conferences that the Scout Executive is required to attend, and a modest amount for local staff training. For 2020, all training that is not required is being put on hold to help drive some cost savings. This category also includes fees paid to send volunteers and seasonal summer camp employees to day camp, resident camp, and C.O.P.E. trainings. Registration fees paid for events are also under this category; such as fees paid to Philmont for the Council contingent and tickets purchased from the Musketeers and Bandits for Scout Night.

Category	2020 Budget
National Conferences/Trainings (Staff & Volunteers)	\$58,630
Local Conferences/Trainings/Meetings (Staff & Volunteers)	\$26,500
Registration Fees (Council High Adventure Contingents & Activities)	\$25,279
<b>Total</b>	<b>\$110,409</b>

**Specific Assistance to Individuals** – Line 25: Certain grants provide for camperships, registration and program materials for Scouts and families in need. A main component of this line item is support of our Scoutreach programs that provide Scouting to young people in at-risk areas. We anticipate a change in the staffing model in Northeast Nebraska and Council Bluffs Iowa to impact this category. Registration fees, uniforms, transportation, food and supplies are all expenses of this program. Camperships are budgeted at \$19,300 and Scholarships \$23,950. The scholarship funds are generated from the endowment fund.

**Recognition and Awards** – Line 26: This line shows expenses for items such as patches, t-shirts, plaques, etc. for district and Council activities, such as camporees, fundraising, and summer camp. These items are purchased from fees charged for those activities. The largest expenses in this item is \$61,000 for popcorn prizes and \$25,000 for camp card free-camp incentives.

**Interest Expense** – Line 27: Every fall, the operating fund is low on cash until popcorn sales come in. In the past, interfund loans were utilized from the Capital and Endowment funds with no interest being charged. In an effort not to effect investments, a line of credit has been established that will enable the operating fund not have to borrow from the Capital/Endowment funds. This will result in interest expense that has not previously been incurred.

**Insurance** – Line 28: Accident & Sickness and liability insurance for volunteers and youth members, an officers and directors’ policy, property and vehicle insurance for camps and Council Service Centers. \$93,200 is provided by units (see line 11). Details on our insurance costs are:

Category	2020 Budget
Property Insurance	\$43,740
Unit Accident & Sickness (Scouts and Scouters)	\$15,461
Automobile Insurance	\$9,720
Directors & Officers Insurance	\$1,896
<b>Total</b>	<b>\$70,817</b>

**Other Expenses** – Line 29: Includes bank service charges, credit card processing fees, and advertising expenses.

**Charter and National Service Fee** – Line 30: Fees paid to the BSA National Council for Council registration, program and computer support based on a national formula.

**Miscellaneous** – Line 31: This line contains special contributions that needed to be separated out as to not affect the annual giving line. In 2015, \$75,000 was credited to operating for the capital campaign efforts to raise funds and construction management of the Cedars storm shelters/shower houses. In 2017, \$50,000 was needed as a special distribution from the endowment. In 2019, \$280,000 in a special distribution will be needed after a one time gift of \$115,000.

**Jamboree/Jubilee** – Line 33/34: Jubilee and Jamboree are events that occur every two to four years. These events are large events that if included as revenue and expenses above makes it difficult to compare items from year to year.