SAM HOUSTON AREA COUNCIL
BOY SCOUTS OF AMERICA

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CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE

YEARS ENDED DECEMBER 31, 2014 AND 2013

AND

INDEPENDENT AUDITOR'S REPORT

MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA AND SUBSIDIARY

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MELTON & MELTON, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of
Sam Houston Area Council Boy Scouts of America and Subsidiary

We have audited the accompanying consolidated financial statements of Sam Houston Area Council Boy Scouts of America and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, the related consolidated statement of functional expenses for the year ended December 31, 2014, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sam Houston Area Council Boy Scouts of America and Subsidiary as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

6002 Rogerdale, Ste. 200 Houston, Texas 77072 Tel 281-759-1120 Fax 281-759-5500

Report on Summarized Comparative Information

We have previously audited the Sam Houston Area Council Boy Scouts of America and Subsidiary's 2013 consolidated financial statements, and our report dated June 10, 2014, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented in the consolidated statement of functional expenses for the year ended December 31, 2013, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Melton + Melton, L.L.P.

Houston, Texas
May 7, 2015

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED 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**
ASSETS								
Current Assets:								
Cash	$ 6,070,300	$ 5,598,823	$ -	$ -	$ -	$ -	$ 6,070,300	$ 5,598,823
Short-term investments	-	-	23,940,912	28,478,721	-	-	23,940,912	28,478,721
Accounts receivable	346,217	278,447	296,237	-	-	-	642,454	278,447
Contributions receivable	1,233,638	1,216,520	1,169,529	1,197,281	4,704,631	1,524,118	7,107,798	3,937,919
Inventories	87,644	70,775	-	-	-	-	87,644	70,775
Prepaid expenses	109,530	129,561	26,799	5,736	-	-	136,329	135,297
Total current assets	7,847,329	7,294,126	25,433,477	29,681,738	4,704,631	1,524,118	37,985,437	38,499,982
Noncurrent Assets:								
Contributions receivable	-	75,000	438,422	1,077,894	1,855,989	2,140,890	2,294,411	3,293,784
Property, net	-	-	34,604,386	26,195,391	-	-	34,604,386	26,195,391
Long-term investments	-	-	18,200	36,000	69,400,928	68,734,628	69,419,128	68,770,628
Cash surrender value of life insurance	-	-	-	-	181,510	174,335	181,510	174,335
Other assets	24,419	36,305	-	-	-	-	24,419	36,305
Total noncurrent assets	24,419	111,305	35,061,008	27,309,285	71,438,427	71,049,853	106,523,854	98,470,443
Total Assets	**$ 7,871,748**	**$ 7,405,431**	**$ 60,494,485**	**$ 56,991,023**	**$ 76,143,058**	**$ 72,573,971**	**$ 144,509,291**	**$ 136,970,425**
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts payable	$ 964,808	$ 994,458	$ 551,813	99,912	$ -	$ -	$ 1,516,621	$ 1,094,370
Accrued expenses	379,760	338,426	-	3,584	-	-	379,760	342,010
Payroll taxes withheld	450	230	-	-	-	-	450	230
Custodial accounts	1,583,536	1,412,608	140,585	140,585	-	-	1,724,121	1,553,193
Deferred activity income	119,464	81,796	-	-	-	-	119,464	81,796
Deferred camp income	21,649	18,273	-	-	-	-	21,649	18,273
Deferred other income	51,654	45,044	7,650	99,450	-	-	59,304	144,494
Other current liabilities	-	60	-	-	-	-	-	60
Total current liabilities	3,121,321	2,890,895	700,048	343,531	-	-	3,821,369	3,234,426
Net Assets:								
Unrestricted net assets	3,481,249	3,109,010	27,409,648	22,993,206	19,882,492	4,704,918	50,773,389	30,807,134
Temporarily restricted net assets	1,269,178	1,405,526	32,384,789	33,654,286	26,080,030	42,143,001	59,733,997	77,202,813
Permanently restricted net assets	-	-	-	-	30,180,536	25,726,052	30,180,536	25,726,052
Total net assets	4,750,427	4,514,536	59,794,437	56,647,492	76,143,058	72,573,971	140,687,922	133,735,999
Total Liabilities and Net Assets	**$ 7,871,748**	**$ 7,405,431**	**$ 60,494,485**	**$ 56,991,023**	**$ 76,143,058**	**$ 72,573,971**	**$ 144,509,291**	**$ 136,970,425**

(See Notes to Consolidated Financial Statements)

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND
CHANGES IN NET ASSETS
For the Years Ended December 31, 2014 and 2013

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
CHANGES IN UNRESTRICTED NET ASSETS:								
Support and revenues:								
Direct support:								
Friends of Scouting	$ 2,687,594	$ 2,813,196	$ -	$ -	$ -	$ -	$ 2,687,594	$ 2,813,196
Project sales	9,636	-	-	-	-	-	9,636	-
Capital campaign	-	-	3,907,784	183,975	-	-	3,907,784	183,975
Special events, gross	1,816,378	1,597,726	-	-	-	-	1,816,378	1,597,726
Less: Cost of direct benefit	583,944	361,919	-	-	-	-	583,944	361,919
Net special events	1,232,434	1,235,807	-	-	-	-	1,232,434	1,235,807
Foundations and trusts	463,692	636,875	-	-	-	-	463,692	636,875
Other direct	288,277	204,168	117,613	-	13,447	6,240	419,337	210,408
Total direct support	4,681,633	4,890,046	4,025,397	183,975	13,447	6,240	8,720,477	5,080,261
Indirect support:								
United Way	1,135,286	1,173,807	-	-	-	-	1,135,286	1,173,807
Total indirect support	1,135,286	1,173,807	-	-	-	-	1,135,286	1,173,807
Total support	5,816,919	6,063,853	4,025,397	183,975	13,447	6,240	9,855,763	6,254,068
Revenues:								
Sale of supplies, gross	38,964	7,646	-	-	-	-	38,964	7,646
Less: Cost of goods sold	13,636	897	-	-	-	-	13,636	897
Net sale of supplies	25,328	6,749	-	-	-	-	25,328	6,749
Product sales, gross	4,013,778	4,123,943	-	-	-	-	4,013,778	4,123,943
Less: Cost of goods sold	1,170,068	1,144,215	-	-	-	-	1,170,068	1,144,215
Less: Commissions paid to units	1,381,164	1,397,559	-	-	-	-	1,381,164	1,397,559
Net product sales	1,462,546	1,582,169	-	-	-	-	1,462,546	1,582,169

(See Notes to Consolidated Financial Statements)

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND
CHANGES IN NET ASSETS (CONTINUED)
For the Years Ended December 31, 2014 and 2013

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues (continued):								
Investment income	$ 9,410	$ 12,984	$ 87,431	$ -	$ 324,893	$ 198,040	$ 421,734	$ 211,024
Spending policy allocation	1,650,000	716,865	-	650,000	(1,650,000)	(1,366,865)	-	-
Gain on sale of property	-	-	-	51,090,636	-	-	-	51,090,636
Realized gain on investments	-	-	16,927	-	2,630,886	2,410,874	2,647,813	2,410,874
Unrealized gain (loss) on investments	-	-	(17,800)	(8,200)	(2,123,482)	1,354,229	(2,141,282)	1,346,029
Camping	1,746,423	1,483,143	-	-	-	-	1,746,423	1,483,143
Activities	926,035	1,752,011	-	-	-	-	926,035	1,752,011
Other revenue	660,679	655,703	-	10,579	-	-	660,679	666,282
Total revenues	6,480,421	6,209,624	86,558	51,743,015	(817,703)	2,596,278	5,749,276	60,548,917
Net assets released from restrictions (see Note 4):								
Reclass Friends of Scouting	80,817	167,333	-	-	-	-	80,817	167,333
Reclass capital campaign	-	-	969,434	264,088	-	-	969,434	264,088
Reclass special events	80,350	860,150	-	-	-	-	80,350	860,150
Reclass foundations and trusts	261,123	194,727	-	-	-	-	261,123	194,727
Reclass other direct support	165,520	155,257	540,556	-	-	-	706,076	155,257
Reclass United Way	457,310	462,319	-	-	-	-	457,310	462,319
Reclass investments	-	-	-	-	16,062,971	-	16,062,971	-
Total net assets released from restrictions	1,045,120	1,839,786	1,509,990	264,088	16,062,971	-	18,618,081	2,103,874
Other reclassifications of net assets (see Note 4):								
Reclass proceeds on sale of property	-	-	-	(28,445,669)	-	(34,000,000)	-	(62,445,669)
Total other reclassifications of net assets	-	-	-	(28,445,669)	-	(34,000,000)	-	(62,445,669)
Total support and revenues	13,342,460	14,113,263	5,621,945	23,745,409	15,258,715	(31,397,482)	34,223,120	6,461,190
Expenses:								
Program services	11,476,500	12,138,962	1,042,196	1,112,588	100,223	100,632	12,618,919	13,352,182
Support services:								
Management and general	641,385	811,789	52,791	53,891	16,752	11,784	710,928	877,464
Fundraising	775,542	622,412	64,098	35,319	10,584	7,582	850,224	665,313
Total functional expenses	12,893,427	13,573,163	1,159,085	1,201,798	127,559	119,998	14,180,071	14,894,959
Charter and National Service Fee	76,794	76,374	-	-	-	-	76,794	76,374
Total expenses	12,970,221	13,649,537	1,159,085	1,201,798	127,559	119,998	14,256,865	14,971,333
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	372,239	463,726	4,462,860	22,543,611	15,131,156	(31,517,480)	19,966,255	(8,510,143)

(See Notes to Consolidated Financial Statements)

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND
CHANGES IN NET ASSETS (CONTINUED)
For the Years Ended December 31, 2014 and 2013

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:								
Support and revenues:								
Direct support:								
Friends of Scouting	$ 152,677	$ 80,817	$ -	$ -	$ -	$ -	$ 152,677	$ 80,817
Capital campaign	-	-	148,710	2,851,727	-	-	148,710	2,851,727
Special events, gross	124,250	155,350	-	-	-	-	124,250	155,350
Less: Cost of direct benefit	-	-	-	-	-	-	-	-
Net special events	124,250	155,350	-	-	-	-	124,250	155,350
Foundations and trusts	233,065	279,000	-	-	-	-	233,065	279,000
Other direct	3,207	121,422	-	-	-	-	3,207	121,422
Total direct support	513,199	636,589	148,710	2,851,727	-	-	661,909	3,488,316
Indirect support:								
United Way	395,573	471,059	-	-	-	-	395,573	471,059
Total indirect support	395,573	471,059	-	-	-	-	395,573	471,059
Revenues:								
Investment income (loss)	-	-	(17)	4,464	-	-	(17)	4,464
Gain on sale of property	-	-	91,800	-	-	-	91,800	-
Total revenues	-	-	91,783	4,464	-	-	91,783	4,464
Net assets released from restrictions (see Note 4):								
Reclass Friends of Scouting	(80,817)	(167,333)	-	-	-	-	(80,817)	(167,333)
Reclass capital campaign	-	-	(969,434)	(264,088)	-	-	(969,434)	(264,088)
Reclass special events	(80,350)	(860,150)	-	-	-	-	(80,350)	(860,150)
Reclass foundations and trusts	(261,123)	(194,727)	-	-	-	-	(261,123)	(194,727)
Reclass other direct support	(165,520)	(155,257)	(540,556)	-	-	-	(706,076)	(155,257)
Reclass United Way	(457,310)	(462,319)	-	-	-	-	(457,310)	(462,319)
Reclass investments	-	-	-	-	(16,062,971)	-	(16,062,971)	-
Total net assets released from restrictions	(1,045,120)	(1,839,786)	(1,509,990)	(264,088)	(16,062,971)	-	(18,618,081)	(2,103,874)
Other reclassifications of net assets (see Note 4):								
Reclass proceeds on sale of property	-	-	-	28,445,669	-	34,000,000	-	62,445,669
Total other reclassifications of net assets	-	-	-	28,445,669	-	34,000,000	-	62,445,669
Total support and revenues	(136,348)	(732,138)	(1,269,497)	31,037,772	(16,062,971)	34,000,000	(17,468,816)	64,305,634
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(136,348)	(732,138)	(1,269,497)	31,037,772	(16,062,971)	34,000,000	(17,468,816)	64,305,634

(See Notes to Consolidated Financial Statements)

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND
CHANGES IN NET ASSETS (CONTINUED)
For the Years Ended December 31, 2014 and 2013

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:								
Support and revenues:								
Direct support:								
Legacies and bequests	$ -	$ -	$ -	$ -	$ 344,628	$ -	$ 344,628	$ -
Other direct	-	-	-	-	4,109,856	2,624,881	4,109,856	2,624,881
Total direct support	-	-	-	-	4,454,484	2,624,881	4,454,484	2,624,881
Total support and revenues	-	-	-	-	4,454,484	2,624,881	4,454,484	2,624,881
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	-	-	-	-	4,454,484	2,624,881	4,454,484	2,624,881
INCREASE (DECREASE) IN TOTAL NET ASSETS	235,891	(268,412)	3,193,363	53,581,383	3,522,669	5,107,401	6,951,923	58,420,372
NET ASSETS, beginning of year								
Unrestricted net assets	3,109,010	2,667,784	22,993,206	34,427,095	4,704,918	2,222,398	30,807,134	39,317,277
Temporarily restricted net assets	1,405,526	2,137,664	33,654,286	2,616,514	42,143,001	8,143,001	77,202,813	12,897,179
Permanently restricted net assets	-	-	-	-	25,726,052	23,101,171	25,726,052	23,101,171
Total net assets, beginning of year	4,514,536	4,805,448	56,647,492	37,043,609	72,573,971	33,466,570	133,735,999	75,315,627
Transfers in (out)	-	(22,500)	(46,418)	(33,977,500)	46,418	34,000,000	-	-
NET ASSETS, end of year								
Unrestricted net assets	3,481,249	3,109,010	27,409,648	22,993,206	19,882,492	4,704,918	50,773,389	30,807,134
Temporarily restricted net assets	1,269,178	1,405,526	32,384,789	33,654,286	26,080,030	42,143,001	59,733,997	77,202,813
Permanently restricted net assets	-	-	-	-	30,180,536	25,726,052	30,180,536	25,726,052
Total net assets, end of year	**$ 4,750,427**	**$ 4,514,536**	**$ 59,794,437**	**$ 56,647,492**	**$ 76,143,058**	**$ 72,573,971**	**$ 140,687,922**	**$ 133,735,999**

(See Notes to Consolidated Financial Statements)

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	Program Services 2014	Support Services: Management & General 2014	Support Services: Fundraising 2014	Support Services: Total Support Services 2014	Total Expenses 2014	Total Expenses 2013
Employee Compensation:						
Salaries	$ 5,591,592	$ 357,437	$ 411,566	$ 769,003	$ 6,360,595	$ 6,294,800
Employee benefits	985,071	78,318	90,178	168,496	1,153,567	1,210,072
Payroll taxes	434,936	31,505	36,276	67,781	502,717	543,845
Employee related expenses	2,718	249	287	536	3,254	9,311
Total employee compensation	7,014,317	467,509	538,307	1,005,816	8,020,133	8,058,028
Other Expenses:						
Professional fees	257,695	102,406	22,690	125,096	382,791	248,252
Supplies	1,291,696	6,911	46,882	53,793	1,345,489	1,455,446
Telephone	84,834	5,433	6,256	11,689	96,523	92,950
Postage and shipping	30,070	1,789	21,843	23,632	53,702	53,936
Occupancy	1,121,501	37,476	43,151	80,627	1,202,128	1,158,814
Rental and maintenance of equipment	85,996	5,778	6,653	12,431	98,427	163,916
Publications and media	128,936	5,690	28,105	33,795	162,731	194,562
Travel	575,523	35,406	64,086	99,492	675,015	1,041,434
Local conferences and meetings	89,265	6,073	12,158	18,231	107,496	380,526
Specific assistance to individuals	538,949	-	-	-	538,949	400,538
Recognition awards	78,767	706	18,928	19,634	98,401	117,005
Interest	-	-	-	-	-	7,440
Insurance	243,623	12,414	14,294	26,708	270,331	210,803
Other expenses (income)	313,686	(4,023)	(4,633)	(8,656)	305,030	328,697
Total other expenses	4,840,541	216,059	280,413	496,472	5,337,013	5,854,319
Total expenses before depreciation	11,854,858	683,568	818,720	1,502,288	13,357,146	13,912,347
Depreciation expense	764,061	27,360	31,504	58,864	822,925	982,612
Total Functional Expenses	**$ 12,618,919**	**$ 710,928**	**$ 850,224**	**$ 1,561,152**	**$ 14,180,071**	**$ 14,894,959**
Percent of Total Expenses by Function *	**88.99%**	**5.01%**	**6.00%**	**11.01%**	**100.00%**	
Time Study Percentages	**83.52%**	**7.66%**	**8.82%**			

* Percentage figures after combining allocated and unallocated expenses

(See Notes to Consolidated Financial Statements)

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Cash Flows from Operating Activities:								
Increase (decrease) in total net assets	$ 235,891	$ (268,412)	$ 3,193,363	$ 53,581,383	$ 3,522,669	$ 5,107,401	$ 6,951,923	$ 58,420,372
Adjustments to reconcile increase (decrease) in total net assets to net cash provided by (used in) operating activities								
Depreciation	-	-	822,925	982,612	-	-	822,925	982,612
Gain on sale of property	-	-	(91,800)	(51,090,636)	-	-	(91,800)	(51,090,636)
Realized and unrealized (gains) losses on investments, net	-	-	873	8,200	(507,404)	(3,765,103)	(506,531)	(3,756,903)
Contributions restricted for long-term purposes	-	-	-	-	(4,454,484)	(2,624,881)	(4,454,484)	(2,624,881)
Contribution of property	-	-	-	(43,175)	-	-	-	(43,175)
Change in assets and liabilities:								
Accounts receivable	(67,770)	31,470	-	-	-	-	(67,770)	31,470
Contributions receivable	57,882	374,951	387,914	(1,186,408)	(2,895,612)	(1,195,296)	(2,449,816)	(2,006,753)
Inventories	(16,869)	(24,638)	-	-	-	-	(16,869)	(24,638)
Prepaid expenses	20,031	176,095	(21,063)	1,764	-	-	(1,032)	177,859
Other assets	11,886	10,088	-	-	-	-	11,886	10,088
Cash surrender value of life insurance	-	-	-	-	(7,175)	(33,156)	(7,175)	(33,156)
Accounts payable	(29,650)	(72,016)	(80,340)	94,214	-	-	(109,990)	22,198
Accrued expenses	41,334	24,444	(3,584)	3,584	-	-	37,750	28,028
Payroll taxes withheld	220	(16)	-	-	-	-	220	(16)
Custodial accounts	170,928	616,536	-	-	-	-	170,928	616,536
Deferred activity income	37,668	(470,986)	-	-	-	-	37,668	(470,986)
Deferred camp income	3,376	(9,453)	-	-	-	-	3,376	(9,453)
Deferred other income	6,610	11,740	-	-	-	-	6,610	11,740
Other current liabilities	(60)	60	-	-	-	-	(60)	60
Net cash provided by (used in) operating activities	471,477	399,863	4,208,288	2,351,538	(4,342,006)	(2,511,035)	337,759	240,366

(See Notes to Consolidated Financial Statements)

SAM HOUSTON AREA COUNCIL BOY SCOUTS OF AMERICA
AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended December 31, 2014 and 2013

	Operating Fund		Capital Fund		Endowment Fund		Total All Funds	
	2014	2013	2014	2013	2014	2013	2014	2013
Cash Flows from Investing Activities:								
Proceeds from sale of property	$ -	$ -	$ -	$ 62,445,669	$ -	$ -	$ -	$ 62,445,669
Purchase of property	-	-	(8,699,679)	(593,669)	-	-	(8,699,679)	(593,669)
Proceeds from sale of investments	-	-	4,537,809	-	1,741,344	1,296,983	6,279,153	1,296,983
Purchase of investments	-	-	-	(26,481,344)	(1,900,240)	(35,410,829)	(1,900,240)	(61,892,173)
Net cash provided by (used in) investing activities	-	-	(4,161,870)	35,370,656	(158,896)	(34,113,846)	(4,320,766)	1,256,810
Cash Flows from Financing Activities:								
Proceeds from contributions restricted for long-term purposes	-	-	-	-	4,454,484	2,624,881	4,454,484	2,624,881
Payment on line of credit	-	-	-	(3,744,694)	-	-	-	(3,744,694)
Transfers in (out)	-	(22,500)	(46,418)	(33,977,500)	46,418	34,000,000	-	-
Net cash provided by (used in) financing activities	-	(22,500)	(46,418)	(37,722,194)	4,500,902	36,624,881	4,454,484	(1,119,813)
Net change in cash	471,477	377,363	-	-	-	-	471,477	377,363
Cash, beginning of year	5,598,823	5,221,460	-	-	-	-	5,598,823	5,221,460
Cash, end of year	**$ 6,070,300**	**$ 5,598,823**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,070,300**	**$ 5,598,823**
Supplemental Disclosure of Noncash Transactions:								
Property acquired through the assumption of debt	**$ -**	**$ -**	**$ -**	**$ 3,744,694**	**$ -**	**$ -**	**$ -**	**$ 3,744,694**
Property acquired through accounts payable	**$ -**	**$ -**	**$ 532,241**	**$ -**	**$ -**	**$ -**	**$ 532,241**	**$ -**
Investment received for contributions receivable	**$ -**	**$ -**	**$ 279,310**	**$ -**	**$ -**	**$ -**	**$ 279,310**	**$ -**
Sale of investment included in accounts receivable	**$ -**	**$ -**	**$ 296,237**	**$ -**	**$ -**	**$ -**	**$ 296,237**	**$ -**

(See Notes to Consolidated Financial Statements)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Local Council, Sam Houston Area Council Boy Scouts of America (the "Council"), operates in Houston, Texas, including the counties of Austin, Brazos, Burleson, portions of Chambers, Colorado, Fort Bend, Grimes, Harris, Madison, Matagorda, Montgomery, portions of Trinity, Walker, Waller, Washington, and Wharton. The Council has five camping facilities. The Camp Strake Properties Foundation Incorporated (the "Foundation") was established for the benefit of the Council. 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, 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 that are now in common use by the Boy Scouts of America.

Mission – 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 Scout Law.

Scout Oath – On my honor I will do my best to do my duty to God and my country and to obey the Scout Law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight.

Scout Law – A Scout is trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent.

Mission Statement of the Council – "Leading Youth to Lifelong Values, Service, and Achievement."

Vision Statement of the Council – "The Council will reach across the community to serve all ethnicities and youth age groups with a leadership and character-building program that has long-lasting impact."

The Council's programs are classified as follows:

Cub Scouting – A year-round program for boys in the first through fifth grades, or 7 to 10 years of age, uniquely designed to meet the needs of young boys and their parents. The program offers fun and challenging activities that promote character development, citizenship, and physical fitness.

Service projects, ceremonies, games, and other activities guide boys through the core values and give them a sense of personal achievement. Through positive peer group interaction and parental guidance, boys also learn honesty, responsibility, and respect.

Family involvement is an essential part of Cub Scouting, and parents are encouraged to play an active role in the program. Through interaction with parents, leaders, and friends, boys learn cooperation, compassion, and courage. This family and community-centered approach to learning means that Cub Scouting is truly time well spent.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Boy Scouting **–** A year-round program for boys who have earned the Arrow of Light Award and are at least 10 years old or have completed the fifth grade and are at least 10, or who are 11 but not yet 18 years old, designed to develop character, citizenship, and fitness. Through the advancement program and peer group leadership, Scouting helps a boy develop into a well-rounded young man. The Eagle Scout Award, the highest rank in Scouting, is recognized around the world as a mark of excellence.

Venturing **–** A year-round youth development program for young men and women 14 years of age (and in the 9th grade) through 20 years old. Venturing provides positive experiences to help young people mature and become responsible and caring adults. The program offers fun and challenging activities that promote character development, citizenship, and physical fitness.

Learning for Life **–** Seven programs designed to support schools and community-based organizations in their efforts to prepare youth to successfully handle the complexities of contemporary society and to enhance their self-confidence, motivation, and self-esteem. The seven programs focus on character education and career education. Learning for Life programs help co-ed youth develop social and life skills, assist in character development, and help youth formulate positive personal values. It prepares youth to make ethical decisions that will help them achieve their full potential.

Adults involved in Learning for Life are selected by the organization in which they work (i.e., schools, local businesses, community organizations, etc.). Race, religion, gender, sexual orientation, ethnic background, economic status and citizenship are not criteria for participation in Learning for Life.

At a time when drugs and gangs are ravaging many of our schools and communities, Learning for Life programs can be a catalyst to help stop this trend. The program uses age-appropriate, grade-specific lesson plans to give youth skills and information that will help them cope with the complexities of today's society.

Learning for Life makes academic learning fun and relevant to real-life situations in age-appropriate and grade-specific material. As a result, the positive character traits and skills learned by participation in Learning for Life not only make students more confident and capable, but also give them an invaluable understanding of how things work in the real world.

Exploring **–** A career education program for young men and women who are 14 (and have completed the eighth grade) or 15 through 20 years old. Adults are selected by the participating organization for involvement in the program. Color, race, religion, gender, sexual orientation, ethnic background, economic status, and citizenship are not criteria for participation.

Exploring's purpose is to provide experiences to help young people mature and to prepare them to become responsible and caring adults. Explorers are ready to investigate the meaning of interdependence in their personal relationships and communities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Exploring is based on a unique and dynamic relationship between youth and the organizations in their communities. Local community organizations initiate an Explorer post by matching their people and program resources to the interests of young people in the community. The result is a program of activities that helps youth pursue their special interests, grow, and develop.

Explorer posts can specialize in a variety of career skills. Exploring programs are based on five areas of emphasis: career opportunities, life skills, citizenship, character education, and leadership experience.

The Council's website address is www.samhoustonbsa.org.

Principles of Consolidation

The Council has voting control over and an economic interest in the Foundation, which results in the accounts of the Foundation being consolidated with those of the Council in the consolidated financial statements. All intercompany balances and transactions have been eliminated in the consolidation. The Council and the Foundation are hereinafter collectively referred to as the "Organization."

Basis of Accounting and Financial Statement Format

The consolidated financial statements of the Organization are prepared using the accrual method of accounting. In accordance with accounting principles generally accepted in the United States of America, net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- **Unrestricted Net Assets -** net assets that are not subject to donor-imposed stipulations.
- **Temporarily Restricted Net Assets -** net assets that are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specific event.
- **Permanently Restricted Net Assets -** net assets required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed stipulations.

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Organization 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value. An allowance for uncollectible promises to give is recorded based on an analysis of collection histories and on reviews of the creditworthiness 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 consolidated statements of activities and changes in net assets as net assets released from restrictions.

Other Reclassifications of Net Assets

Donor restrictions imposed on otherwise unrestricted net assets are reclassified from unrestricted net assets to either temporarily restricted or permanently restricted net assets based on donor intent. These reclassifications are reported as other reclassifications of net assets in the consolidated statements of activities and changes in net assets.

Donated Materials and Services

Donated property, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization 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 Organization 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 nonfinancial assets are not recorded in the consolidated 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 Organization's program services and its fundraising campaigns, the value of which is not recorded in the consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are charged to operations in the period in which the advertisement is placed. Advertising expense for 2014 and 2013 amounted to approximately $164,000 and $186,000, respectively, and are included in other expenses in the consolidated statement of functional expenses. During 2013, the Organization received in-kind contributions of advertising from Comcast Corporation. Comcast Corporation valued the gift to be approximately $74,000 for the year 2013. In accordance with the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605, *Not-for-Profit Entities: Revenue Recognition*, the fair value of the in-kind gift of advertising is recognized as both other direct support and advertising expense in the year the gift was received and used. The Organization would not have purchased such advertising if the in-kind gift from Comcast Corporation had not been received. The Organization did not receive an in-kind gift of advertising in 2014.

Investments

Investments consist primarily of assets invested in marketable equity securities, a multi-asset fund, limited partnerships, alternative investments, and money market accounts. The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections, *Not-for-Profit Entities: Investments – Debt and Equity Securities.* This standard requires that investments in equity securities be measured at fair value in the consolidated statements of financial position. See Note 7 for discussion of fair value measurements. The cost assigned to investments received by gift is the market value at the date of donation. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned on the accrual basis. Dividends are recorded on the ex-dividend date. The realized and unrealized gains or losses on investments are reflected in the consolidated statements of activities and changes in net assets. Investment income or loss restricted by a donor is reported as increases or decreases in unrestricted net assets if the restrictions are met in the reporting period in which the income or loss is recognized.

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 consolidated statements of financial position.

Investment and Spending Policy

The Organization's investment policy intends for the Organization to invest in assets that would produce results exceeding the investment's purchase price and incur a significant yield of return, while assuming a moderate level of investment risk. The Organization expects its Endowment Fund, over time, to provide a reasonable rate of return. To satisfy the long-term rate-of-return objective, the Organization 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 Organization targets a diversified asset allocation that places a greater emphasis on a multi-asset fund and limited partnerships to achieve its long-term return objectives within prudent risk constraints.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The purpose of the Organization's Endowment Fund is to assist in the financial requirements of the Organization in its delivery of a quality Scout program, in its service to its Chartering Partners, and in its long-term financial sustainability. The Endowment Fund of the Organization is made up of unrestricted (Board-designated) net assets, temporarily restricted net assets, and permanently restricted (endowment) net assets.

The Organization manages its Endowment Fund using the guidelines found in the Uniform Prudent Management of Institutional Funds Act.

The Organization's Endowment Fund will only incur costs that are appropriate and reasonable in relation to the assets, the purposes of the Organization, and the skills available to the Organization. These costs, which are netted out from the market value of the Endowment Fund prior to calculation of a distribution, are related to the audit, investment managers, and the Organization's human resources responsible for the management and growth of the investment fund.

The spending policy of the Organization defines the total funds available from the Endowment Fund in a given year (the distributable income) as up to 5% of the Endowment Fund's average market value over the preceding three years.

Accounts Receivable

Accounts receivable are recorded primarily for product sales stated at estimated realizable value in the Operating Fund. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. Receivable balances are charged off against the allowance for doubtful accounts when they are considered uncollectible by management. No allowance for doubtful accounts was considered necessary as of December 31, 2014 and 2013.

Inventories

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

Property

Property acquired prior to January 1, 1973 is stated at appraised values as established by officials of the Organization at that time. Property purchased subsequent to January 1, 1973 is recorded at cost. Donated property is 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. Proceeds from property disposals are unrestricted, unless restricted by the donor. Property is 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 service as of the end of the year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. Management does not believe the values of the Organization's long-lived assets are impaired at December 31, 2014 and 2013.

Custodial Accounts

Custodial accounts primarily consist of registration and Boy's Life fees due to the National Council of the Boy Scouts of America (the "National Council"). These fees are received by the Organization, from the individual units, to be remitted to the National Council. Accordingly, a liability is presented in the consolidated statements of financial position.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("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 Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment to the consolidated financial statements. The Organization is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2011. There were no tax-related interest and penalties in 2014 or 2013.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated 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 Organization providing those services. In accordance with the policy of the National Council, the payment of the charter fee to the National Council is not allocated as a functional expense.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 consolidated 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 consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In October 2012, the FASB issued Accounting Standards Update (ASU) 2012-05, *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*, which requires 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 2012-05 is effective for fiscal years beginning after June 15, 2013, with early adoption permitted under certain circumstances. The Organization adopted the provisions of ASU 2012-05 in 2014, which had no impact on the Organization's consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASU 2014-09 supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the ASC. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Management is currently evaluating the impact ASU 2014-09 will have on the Organization's consolidated financial statements.

NOTE 2 - ENDOWMENT FUND

The Organization's Endowment Fund, also called the Investment Fund, includes several individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds, temporarily restricted endowment funds, and unrestricted endowment funds designated by the Board of Directors to be used for future investment and growth. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Texas Uniform Prudent Management of Institutional Funds Act ("TXUPMIFA") 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 Organization 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 until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the TXUPMIFA. In accordance with the TXUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted 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

NOTE 2 - ENDOWMENT FUND (CONTINUED)

(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 Organization

(7) The investment policies of the Organization

Changes in the Endowment Fund net assets (deficit) for the years ended December 31, 2014 and 2013 are as follows:

	Unrestricted - Non-Board Designated	Unrestricted - Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment Fund net assets (deficit), December 31, 2012	$(1,904,260)	$ 4,126,658	$ 8,143,001	$23,101,171	$33,466,570
Investment return:					
Investment income	178,012	20,028	-	-	198,040
Net appreciation (realized and unrealized)	3,383,457	381,646	-	-	3,765,103
Total investment return	3,561,469	401,674	-	-	3,963,143
Contributions	-	6,240	-	2,624,881	2,631,121
Transfers in	-	34,000,000	-	-	34,000,000
Other reclassifications of net assets	-	(34,000,000)	34,000,000	-	-
Appropriation of Endowment Fund assets for expenditure	(1,325,486)	(161,377)	-	-	(1,486,863)
Endowment Fund net assets, December 31, 2013	331,723	4,373,195	42,143,001	25,726,052	72,573,971
Investment return:					
Investment income	249,462	75,431	-	-	324,893
Net appreciation (depreciation) (realized and unrealized)	619,372	(111,968)	-	-	507,404
Total investment return	868,834	(36,537)	-	-	832,297

NOTE 2 - ENDOWMENT FUND (CONTINUED)

	Unrestricted - Non-Board Designated	Unrestricted - Board Designated	Temporarily Restricted	Permanently Restricted	Total
Contributions	$ -	$ 13,447	$ -	$ 4,454,484	$ 4,467,931
Transfers in	-	46,418	-		46,418
Other reclassifications of net assets	(49,343)	16,112,314	(16,062,971)	-	-
Appropriation of Endowment Fund assets for expenditure	(1,609,955)	(167,604)	-	-	(1,777,559)
Endowment Fund net assets (deficit), December 31, 2014	$ (458,741)	$ 20,341,233	$ 26,080,030	$30,180,536	$76,143,058

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or TXUPMIFA requires the Organization to retain as permanently restricted. Deficiencies of this nature result from unfavorable market fluctuations and are included in unrestricted net assets. At December 31, 2014, total deficiencies were $458,741. There were no deficiencies at December 31, 2013.

NOTE 3 - NET ASSETS AND RESTRICTIONS

Substantially all of the restrictions on net assets at the end of 2014 and 2013 are related to funds raised through ongoing capital and endowment campaigns to help prepare the Organization for future Scouting needs, charitable trusts of which the Organization is a beneficiary, and United Way funding for the next year.

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

	2014	2013
Endowment funds subject to a time restriction by explicit donor stipulation or by the TXUPMIFA	$49,454,063	$69,930,712
Capital campaign	8,352,798	5,208,617
United Way	395,573	471,059
Split-interest agreements (Note 8)	904,684	904,684
General operations	626,879	687,741
	$59,733,997	$77,202,813

NOTE 3 - NET ASSETS AND RESTRICTIONS (CONTINUED)

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

	2014	2013
Permanently restricted endowment gifts required to be retained either by explicit donor stipulations or by the TXUPMIFA:		
General endowments	$29,911,908	$25,464,599
Split-interest agreements (Note 8)	87,118	87,118
Cash surrender value of life insurance	181,510	174,335
	$30,180,536	$25,726,052

NOTE 4 - RECLASSIFICATIONS OF NET ASSETS

Net assets were released from donor restrictions during 2014 and 2013 by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Net assets released were related to the following:

	2014	2013
Friends of Scouting	$ 80,817	$ 167,333
Capital campaign	969,434	264,088
Special events	80,350	860,150
Foundations and trusts	261,123	194,727
Other direct support	706,076	155,257
United Way	457,310	462,319
Investments	16,062,971	-
	$18,618,081	$2,103,874

Other reclassifications of net assets, resulting from donor restrictions imposed on otherwise unrestricted net assets, were as follows in 2014 and 2013:

	2014	2013
Reclass of proceeds from sale of property	$ -	$62,445,669
	$ -	$62,445,669

In 2013, the Organization sold certain property for $62,445,669. The carrying value of this property was included in unrestricted net assets prior to the sale. Pursuant to an agreement with the donor of funds used to acquire the original property (the “Property Donor Agreement”), the proceeds from the sale of the property are purpose-restricted. Accordingly, the amount of the proceeds was reclassified as temporarily restricted net assets. In 2014, the Property Donor Agreement was amended to allow the release of approximately $16,063,000 of temporarily restricted net assets to Board-designated unrestricted net assets in the Endowment Fund.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

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

	2014	2013
United Way	$ 382,016	$ 474,428
Friends of Scouting	249,572	73,424
Split-interest agreements in Operating Fund	246,726	246,726
Split-interest agreements in Endowment Fund	745,076	745,076
Foundations	238,065	255,000
Other unrestricted promises	134,635	256,485
Restricted to capital campaign	1,672,348	2,422,282
Restricted to Endowment Fund	6,709,555	3,854,042
Less: Discount for timing of cash flows	(958,408)	(1,081,217)
Subtotal	9,419,585	7,246,246
Less: Allowance for uncollectible pledges receivable	(17,376)	(14,543)
	$9,402,209	$ 7,231,703
Pledges receivable, due in:		
Less than one year	$7,107,798	$3,937,919
One to five years	2,294,411	3,293,784
	$9,402,209	$ 7,231,703

The discount for timing of cash flows is computed using the risk-free interest rate applicable to the year in which the contribution is received or the Internal Revenue Service's actuarial mortality table, Table R(2). Risk-free interest rates are 3.25% to 7.25% for contributions received in 2007 - 2013, and the rate from Table R(2) is 0.56% for a contribution received in 2013. There were no contributions with payment terms over several years received in 2014.

Allocations from United Way of Greater Houston for $368,073 (designated for general operating purposes for the first three months of both 2015 and 2014) have been recorded in the consolidated financial statements since the amounts were pledged in 2014 and 2013, respectively. The Organization has been notified of an additional allocation from United Way of Greater Houston in 2015 for approximately $961,000. The revenue from the additional allocation will be recorded in 2015 when the firm commitment is received.

NOTE 6 - INVESTMENTS

Investments at December 31, 2014 and 2013 are comprised of the following:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Common stocks	$ -	$ 18,200	$ -	$ 36,000
The Investment Fund for Foundations ("TIFF") Multi-Asset Fund	39,092,111	38,844,312	23,754,475	25,993,553

NOTE 6 - INVESTMENTS (CONTINUED)

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Limited partnerships:				
BSA Commingled Endowment Fund, LP	$10,056,846	$11,856,277	$ 3,806,846	$ 5,300,735
Neuberger Berman Crossroads Fund XVIII - Asset Allocation, LP	1,172,217	1,664,649	1,459,189	1,866,691
Mutual funds:				
Fixed income	15,679,091	15,663,683	34,519,916	34,523,773
Alternative investments:				
Lehman Brothers Offshore Long/ Short Fund Ltd.	-	-	9,703	6,665
Smith Barney Private Selection I and II	186,169	127,907	237,587	197,337
Money market and savings accounts	25,185,012	25,185,012	29,324,595	29,324,595
	$91,371,446	$93,360,040	$93,112,311	$97,249,349

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

	2014	2013
Interest and dividend income	$421,717	$ 215,488
Net realized and unrealized gains	506,531	3,756,903
	$928,248	$3,972,391

The above investment return is classified in the 2014 and 2013 consolidated statements of activities and changes in net assets as follows:

	2014	2013
Unrestricted	$928,265	$3,967,927
Temporarily restricted	(17)	4,464
	$928,248	$3,972,391

Income from interest and dividends on investments and realized and unrealized gains and losses on the investments (“Investment Income, Gains, and Losses”) are recorded initially in the Endowment Fund. Distributions of Investment Income, Gains, and Losses 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 Organization’s spending policy (Note 1). For 2014 and 2013, investment expenses were $63,080 and $47,328, respectively, and are netted against investment income in the consolidated statements of activities and changes in net assets.

NOTE 7 - SUMMARY OF FAIR VALUE EXPOSURE

U.S. GAAP 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.

Various inputs are used in determining the fair value of the Organization's assets and liabilities. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, U.S. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy, including the types of assets and liabilities that fall under each category and the valuation methodologies used to measure fair value, are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Common stocks - Valued at the closing market price on the New York Stock Exchange.

Mutual funds - Valued at net asset value ("NAV") of shares held by the Organization at year-end. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

Money market and savings accounts - Comprised of funds invested in savings accounts at various financial institutions and money market mutual funds. Funds invested in savings accounts are reported at the value of deposited funds and net investment earnings less withdrawals and fees. The money market mutual funds consist primarily of domestic commercial paper and other cash management instruments, such as repurchase agreements and master notes, U.S. government and corporate obligations, and other securities of foreign issuers. The funds seek to maintain a stable NAV of $1.

Level 2 - Inputs to the methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

The Investment Fund for Foundations ("TIFF") *Multi-Asset Fund* ("MAF") - Managed by TIFF Advisory Services, Inc. ("TAS"), who serves as the MAF's investment advisor and is responsible for the selection of money managers and other vendors and for the MAF's asset allocation. The fund seeks to achieve a total return, net of expenses, that exceeds inflation plus 5% per year by employing a globally diversified portfolio.

NOTE 7 - SUMMARY OF FAIR VALUE EXPOSURE (CONTINUED)

At December 31, 2014 and 2013, the MAF held the following investments:

	2014	2013
Common stocks	50.4%	62.4%
U.S. treasury securities	21.8%	16.5%
Private investment funds	17.2%	14.6%
Repurchase agreements	7.4%	3.9%
Other	3.2%	2.6%
	100.0%	100.0%

Securities listed on a securities exchange or traded on the National Association of Securities Dealers National Market System ("NASDAQ") are valued at their closing price or at the most recently quoted bid price if there is not a closing price. Debt securities and over-the-counter ("OTC") stocks not listed on the NASDAQ are valued at prices that reflect a broker/dealer-supplied valuation or are obtained from independent pricing services. Short-term debt securities with a maturity of 60 days or less are valued at amortized cost, and those with a maturity of over 60 days are valued at market value. Repurchase agreements are valued at cost. Private investment funds are valued either by management of the private investment fund or based on the most recent estimated value provided by the management of the private investment fund plus other relevant information reasonably available at the time of valuation, including total returns of indices or exchange-traded funds that track markets to which the private investment fund may be exposed. At December 31, 2014 and 2013, all MAF investments were determined by the TIFF Investment Program, Inc. ("TIP") board of directors to be Level 1 or 2, with the exception of the private investment funds and some common stocks, which were determined to be Level 3.

The NAV per share of the MAF is determined by dividing the assets of the MAF, less its liabilities, by the number of outstanding shares of the MAF. At December 31, 2014 and 2013, the NAV is $15.31 and $16.26, respectively. Full and fractional shares of a member's account may be redeemed upon request. The redemption value is based on the NAV per share on the date the redemption request is received by TAS. Payment, less any applicable exit fees, is made to the member within seven days after receipt of the request. If the total market value of a member's redeemed shares within a 90-day period is in excess of $250,000 or 1% of the MAF's NAV, the member will receive an in-kind redemption of marketable securities held in the MAF, as determined by the TAS. A member may also exchange its funds for shares of another fund held by TIP, subject to entry and exit fees. Member account balances must be at least $25,000. If an account balance is less than $25,000, TAS may redeem the member's shares and send the redemption proceeds to the member.

NOTE 7 - SUMMARY OF FAIR VALUE EXPOSURE (CONTINUED)

BSA Commingled Endowment Fund, LP ("BSA Fund") - Investments held by the BSA Fund are valued at fair value based on the closing price for securities listed on a securities exchange, the closing bid or ask price for OTC 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 OTC market. The custodian of the investments in the BSA Fund also has the ability to determine the fair value of securities not listed or traded on any exchange or on the OTC market based on available information. The BSA Fund is valued at the number of units held by the Organization and the BSA Fund's underlying net assets. Withdrawals up to 100% of the capital account are permitted. Amounts withdrawn are generally paid within 30 days of the distribution date. Withdrawals may be limited by the general partner of the BSA Fund, subject to certain conditions. After the completion of the BSA Fund's annual audit, withdrawals in excess of the capital account are required to be reimbursed upon request by the BSA Fund. If the request is not made within 30 days following the completion of the annual audit, the reimbursement obligation is terminated. The Organization will never receive the underlying assets or have the ability to redeem them.

Level 3 - Inputs to the valuation methodology are unobservable inputs (i.e., projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Neuberger Berman Crossroads Fund XVIII - Asset Allocation, LP ("NB Fund") - Investments held by the NB Fund are in private equity investments and valued at fair value based on the best information available. Securities listed on a securities exchange are valued at the closing price less a discount to reflect legal restrictions associated with the securities, if any. Private interests are valued based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other reliable information that reports or indicates valuation changes, including realizations and other portfolio company events. The NB Fund's private equity investments are diversified in large-cap buyout, mid-cap buyout, special situations, and venture capital. The NB Fund is valued at the Organization's ownership percentage in the NB Fund's underlying net assets. Redemptions are not permitted during the life of the NB Fund. The return of capital and the realization of gains on investments, if any, will generally occur only upon the partial or complete disposition of an investment by the NB Fund, which is not within the control of the fund's general partner or advisor. The liquidation period of the NB Fund is unknown.

NOTE 7 - SUMMARY OF FAIR VALUE EXPOSURE (CONTINUED)

Alternative investments - Comprised of pooled investment funds. Lehman Brothers Offshore Long/Short Fund Ltd. invests in hedge funds, investment Tranche A1 Series 07-09, held by State Street Alternative Investment Solutions. Smith Barney Private Selection I and II invest in private equity funds. The current value of each private equity fund is provided by the general partner of the underlying funds. The current value may include realized and unrealized investments, but may not reflect the deduction of expenses, management fees, and carried interest payments of the underlying funds. The individual alternative investments are valued at the NAV of shares held by the Organization. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is determined by the trust company of the individual investment. Redemptions are not permitted for each of the individual alternative investments. When the underlying assets are sold, the proceeds will be distributed to the investors. The sale of the underlying assets is subject to the approval of the individual fund's manager. The Lehman Brothers Offshore Long/Short Fund Ltd. is a residual piece of a prior fund resulting from having some illiquid investments; its underlying assets were liquidated in 2014. The Smith Barney Private Selection I and II funds expect to sell their underlying assets in 2015.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The inputs and methodologies used for valuing assets and liabilities are not an indication of the risk associated with those assets and liabilities. There have been no changes in the methodologies used at December 31, 2014 or 2013.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value on a recurring basis as of December 31, 2014 and 2013:

	2014			
Description	Level 1	Level 2	Level 3	Total
Common stock - Healthcare	$ 18,200	$ -	$ -	$ 18,200
The Investment Fund for Foundations ("TIFF") Multi-Asset Fund	-	38,844,312	-	38,844,312
BSA Commingled Endowment Fund, LP	-	11,856,277	-	11,856,277
Neuberger Berman Crossroads Fund XVIII - Asset Allocation, LP	-	-	1,664,649	1,664,649
Mutual fund - Fixed income	15,663,683	-	-	15,663,683
Alternative investments:				
Smith Barney Private Selection I and II	-	-	127,907	127,907
Money market and savings accounts	25,185,012	-	-	25,185,012
Total investments	$40,866,895	$50,700,589	$1,792,556	$93,360,040

NOTE 7 - SUMMARY OF FAIR VALUE EXPOSURE (CONTINUED)

	2013			
Description	Level 1	Level 2	Level 3	Total
Common stock - Healthcare	$ 36,000	$ -	$ -	$ 36,000
The Investment Fund for Foundations ("TIFF") Multi-Asset Fund	-	25,993,553	-	25,993,553
BSA Commingled Endowment Fund, LP	-	5,300,735	-	5,300,735
Neuberger Berman Crossroads Fund XVIII - Asset Allocation, LP	-	-	1,866,691	1,866,691
Mutual fund - Fixed income	34,523,773	-	-	34,523,773
Alternative investments:				
Lehman Brothers Offshore Long/ Short Fund Ltd.	-	-	6,665	6,665
Smith Barney Private Selection I and II	-	-	197,337	197,337
Money market and savings accounts	29,324,595	-	-	29,324,595
Total investments	$63,884,368	$31,294,288	$2,070,693	$97,249,349

The following table sets forth a summary of changes in the fair value of the Organization's Level 3 investments for the years ended December 31, 2014 and 2013:

	2014	2013
Balance, beginning of year	$2,070,693	$2,241,960
Settlements	(3,627)	-
Net realized and unrealized gains (losses) on investments in the consolidated statements of activities and changes in net assets	(274,510)	(171,267)
Balance, end of year	$1,792,556	$2,070,693
Total gains included in the increase (decrease) in total net assets due to the change in unrealized gains (losses) that relate to assets held at the reporting date and included in realized and unrealized gains (losses) on investments in the consolidated statements of activities and changes in net assets	$ 434,170	$ 364,214

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring measurements. The Organization's Board of Directors assesses and approves these policies and procedures. At least annually, management determines if the current valuation techniques used in fair value measurements are still appropriate and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

The fair values of cash, accounts receivable, and accounts payable approximate their respective carrying values due to the short-term nature of these accounts.

NOTE 8 - SPLIT-INTEREST AGREEMENTS

A split-interest agreement is an agreement in which a donor contributes assets directly to the Organization or places them in a trust for the benefit of the Organization and the Organization is not the sole beneficiary of the assets' economic value. The contributed assets are held, invested, and administered by the Organization or a trustee who is responsible for making the required distributions to the beneficiaries. Upon expiration of the agreements, the remaining assets will be distributed to or retained by the Organization.

A donor established a trust with a bank naming the Organization as a partial recipient of a charitable remainder unitrust. Under terms of this split-interest agreement, the Organization will receive 50% of the trust's assets upon the death of the donor into its permanently restricted endowment fund. Based on the donor's life expectancy and a 6% rate of return, the present value of the future benefits expected to be received by the Organization is estimated to be approximately $87,000 at December 31, 2014 and 2013.

Upon the death of four separate donors, separate trusts were established naming the Organization as a recipient of the charitable remainder trusts. Under terms of the split-interest agreements, the Organization is to receive a percentage of the trusts' assets upon the death of a beneficiary, as defined in the agreement. Until receipt of the assets from the trusts, the Organization reports the trusts' assets in the Operating, Capital, or Endowment Fund's temporarily restricted net assets, as determined by the Organization's unsolicited, unrestricted gifts policy. Upon receipt of the assets from the trusts, the trusts' assets will be released to unrestricted net assets in the applicable fund. Based on the life expectancies of the beneficiaries and the stated rate of return in the agreement, the present value of the future benefits expected to be received by the Organization from the four trusts, combined, was estimated to be approximately $905,000 at December 31, 2014 and 2013.

NOTE 9 - PROPERTY

Property at December 31, 2014 and 2013 consists of the following:

	Useful Lives	2014	2013
Land		$18,428,570	$14,489,537
Building, structures, and land improvements	5 - 50 years	21,357,319	21,196,514
Furniture, fixtures, and equipment	2 - 20 years	6,285,551	6,107,779
Construction in progress		4,964,783	10,475
		51,036,223	41,804,305
Less: Accumulated depreciation		16,431,837	15,608,914
		$34,604,386	$26,195,391

Land in the amount of approximately $8 million and $4 million is restricted for use as a camp at December 31, 2014 and 2013, respectively. The Organization may sell all or any portion of the land as it deems necessary; however, the sales proceeds must be applied either to acquire replacement property that will be used for the same purpose or for other purposes specifically permitted by the agreement with the donor.

NOTE 10 - CONDITIONAL CONTRIBUTIONS

The Organization has a matching endowment program with a donor. The purpose of the endowment program is to create awareness of endowment, encourage others to invest in the future of the Organization, and support community-level involvement in the annual endowment campaign of the Organization. The donor that established the endowment program matches third-party contributions, in $500 increments, ranging from $500 to $25,000 to be maintained in the endowment. The endowment program is awarded on an annual basis, and the income of the endowment program is to be used for the general support of the Organization. In 2014 and 2013, donor matches totaled approximately $386,000 and $297,000, respectively. For 2015, the donor has approved a dollar-for-dollar match be continued for the endowment program.

In October 2012, the Organization received a $5,000,000 matching grant, contingent upon meeting certain restrictions. The grant will be paid over five years, and income from the grant will be used by the Organization, as agreed upon with the donor. The purpose of the grant is to maximize Board giving, in which the donor will match the first $250,000 of all gifts from members of the Organization’s Board of Directors. In 2014 and 2013, the Organization met the restrictions of the matching grant and has received $1,000,000 for each of the years.

NOTE 11 - ENDOWED FUND AGREEMENT

The Organization has entered into an endowed fund agreement with a grantor that provides for the establishment of a permanent endowment fund as well as the payment of annual non-endowment grants.

Endowment Fund

In accordance with the agreement, the Organization has established an endowment fund to be permanently held and managed for the long-term use and benefit of a Boy Scout camp, as defined in the agreement (the “Camp”). The fund consists of the grantor’s annual grants and unexpended income.

In furtherance of the grantor’s mission to support the Boy Scouts, and for as long as the agreement remains in effect, the grantor intends to make annual grants to the endowment fund equal to 25% of the annual qualifying distributions made by the grantor within the meaning of Section 4942 of the Code and as reported in its annual Form 990 (“Annual Qualifying Distributions”).

Non-Endowment Grants

In addition to the endowment grants mentioned above, the grantor intends to make annual non-endowment grants to the Organization equal to 12.5% of the grantor’s Annual Qualifying Distributions. Such grants shall be used by the Organization to support the Camp or other projects that further the ideas and goals of the grantor and the Organization, as approved in advance on an annual basis by the board of directors of the grantor.

For 2014 and 2013, the Organization received endowment and non-endowment grants under the above agreement totaling approximately $594,000 and $400,000, respectively.

NOTE 12 - LINES OF CREDIT

The Council has a $1.2 million line of credit agreement with a bank. Interest is payable quarterly at prime plus 0.5%. Principal is due at maturity in September 2015. At December 31, 2014 and 2013, there was no outstanding balance on the line.

In September 2013, the Council entered into a $4.6 million line of credit agreement with another bank. Interest is payable monthly at the London Interbank Offered Rate (LIBOR) plus 1.1%. Principal was due at maturity in September 2014. At December 31, 2013, there was no outstanding balance on the line. The line of credit was not renewed.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist principally of cash at financial institutions. At times, the balances in cash accounts may be in excess of federally insured limits. Management continuously monitors the Organization's balances at financial institutions and invests excess operating cash in short-term investments.

Legal Claims

The Organization is involved in various legal matters arising in the normal course of operations. The Organization does not believe that the ultimate resolution of these matters will have a significant effect on its consolidated financial position.

NOTE 14 - EMPLOYEE BENEFIT PLANS

Retirement Plan

The National Council has a qualified defined benefit multi-employer contributory retirement plan (the "Plan") administered at the National office that covers employees of the National Council and local councils, including the Sam Houston Area Council. The plan name is *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 contributed 2% of compensation, and the Organization contributed an additional 7% in 2014 and 2013 to the Plan. Pension expense (excluding the contributions made by employees) was $295,327 and $300,649 in 2014 and 2013, respectively, and covered current service cost.

The Plan is a multi-employer plan, and the individual information for each employer is not available. The actuarial information for the multi-employer plan as of February 1, 2014 indicates that it is in compliance with the Employee Retirement Income Security Act regulations regarding funding. The assumed rate of return used in determining actuarial present values of accumulated benefits at December 31, 2014 and 2013 was 7.00%. The actuarial value includes all Plan amendments as of February 1, 2014.

NOTE 14 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Thrift Plan

The Organization has established a Thrift Plan covering substantially all of the employees of the Organization. Participants in the Thrift Plan may elect to make voluntary before-tax contributions based on a percentage of their pay, subject to certain limitations set forth in the Code. The Council has elected to match employee contributions to the Thrift Plan up to 50% of contributions from each participant, limited to 3% of each employee's gross pay. The Organization contributed approximately $95,000 and $85,000, respectively, to the Thrift Plan in 2014 and 2013, respectively.

Health Care Plan

The Organization's employees participate in a health care plan provided by the National Council. The Organization 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, 2014 and 2013, the Organization remitted approximately $710,000 and $763,000, respectively, on behalf of its employees to the National Council related to the health care plan.

NOTE 15 - SCOUT SHOP

The National Council operates five Scout shops within the Houston area. The National Council manages the Scout shops and pays the Organization an 8% commission on gross sales up to $750,000 and 13% on sales in excess of $750,000. The commissions earned (before expenses) by the Organization during both 2014 and 2013 amounted to approximately $448,000, which are included in other revenue in the consolidated statements of activities and changes in net assets.

NOTE 16 - LEASE COMMITMENTS

The Organization accounts for the lease of office equipment and Scout shops as operating leases. Total rent expense amounted to approximately $238,000 and $133,000 for 2014 and 2013, respectively. These leases will expire on various dates through 2019. As of December 31, 2014, the minimum required future lease payments under these leases are as follows:

For the Year Ending December 31:	
2015	$145,974
2016	86,586
2017	45,472
2018	42,000
2019	3,500
	$323,532

NOTE 17 - RELATED PARTY TRANSACTIONS

Some Board of Director members are officers at financial institutions where the Organization maintains investment and cash account balances. As of December 31, 2014 and 2013, total Organization deposits with the financial institutions were $24,237,338 and $42,416,008, respectively.

NOTE 18 - PRIOR PERIOD INFORMATION

The consolidated statement of functional expenses includes certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization’s consolidated financial statements for the year ended December 31, 2013, from which the summarized information was derived.

NOTE 19 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 7, 2015, the date the consolidated financial statements were available to be issued.