

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## DEBTOR IN POSSESSION      UNAUDITED

As of December 31, 2021 (with summarized totals for 2020)

(In thousands)

Boy Scouts of America

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents .....	\$ 196,598	\$ 150,773
Investments, at fair value including collateral for securities		
on loan of \$2,311 (2020—\$1,275) (Note 2) .....	443,043	521,324
Accounts receivable, less allowance of \$218 (2020—\$218) .....	14,054	10,315
Pledges receivable, less discount of \$9,482 (2020—\$9,540) (Note 4) .....	15,977	17,236
Other receivables .....	508	666
Gift annuities .....	5,289	5,784
Prepaid and deferred charges .....	11,091	15,493
Inventories, less provision for obsolescence of \$9,629 (2020—\$16,616) .....	37,375	58,583
Land, buildings, and equipment, net (Note 5) .....	459,702	479,750
Other .....	<u>11,383</u>	<u>11,553</u>
Total assets .....	<u>\$ 1,195,020</u>	<u>\$ 1,271,477</u>
<b>Liabilities and Net Assets</b>		
Liabilities Not Subject to Compromise:		
Accounts payable and accrued liabilities .....	\$ 90,520	\$ 58,102
Gift annuities .....	5,289	5,784
Unearned fees and subscriptions .....	48,679	54,439
Notes payable including line of credit (Note 6) .....	35,000	10,000
Insurance reserves (Note 7) .....	5,809	6,589
Payable upon return of securities loaned (Note 2) .....	<u>2,311</u>	<u>1,275</u>
Total liabilities not subject to compromise .....	187,608	136,189
Liabilities Subject to Compromise:		
Accounts payable and accrued liabilities .....	5,180	5,094
Notes payable including line of credit (Note 6) .....	222,262	222,262
Insurance reserves (Note 7) .....	<u>232,364</u>	<u>232,364</u>
Total liabilities subject to compromise .....	<u>459,806</u>	<u>459,720</u>
Total liabilities .....	<u>647,414</u>	<u>595,909</u>
Commitments and contingencies (Note 9)		
Net assets:		
Without Donor Restrictions (Note 10):		
Controlling interest:		
General operations .....	235,052	100,672
Board-designated .....	<u>(114,565)</u>	<u>154,443</u>
Total without donor restrictions—controlling interest .....	120,487	255,115
Noncontrolling interest (Commingled Endowment LP) .....	<u>203,118</u>	<u>216,061</u>
Total without donor restrictions .....	323,605	471,176
Total with donor restrictions (Note 11) .....	<u>224,001</u>	<u>204,392</u>
Total net assets .....	<u>547,606</u>	<u>675,568</u>
Total liabilities and net assets .....	<u>\$ 1,195,020</u>	<u>\$ 1,271,477</u>

The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS DEBTOR IN POSSESSION    UNAUDITED

Year ended December 31, 2021 (with summarized totals for 2020)

(In thousands)

Boy Scouts of America

	Without Donor Restrictions (Note 10)	With Donor Restrictions (Note 11)	Total	
			2021	2020
<b>Revenues:</b>				
Fees (Note 12) .....	\$ 142,149		\$ 142,149	\$ 108,183
Supply operations—sales .....	73,586		73,586	50,947
Cost of sales and expenses .....	<u>(63,162)</u>		<u>(63,162)</u>	<u>(69,550)</u>
	10,424		10,424	(18,603)
Magazine publication—sales .....	5,861		5,861	7,403
Cost of production and expenses .....	<u>(5,157)</u>		<u>(5,157)</u>	<u>(7,541)</u>
	704		704	( 138)
Contributions and bequests .....	8,956	\$ 4,408	13,364	19,015
Other—including trading post sales .....	20,670		20,670	78,515
Cost of sales and expenses .....	<u>(4,749)</u>		<u>(4,749)</u>	<u>(1,558)</u>
	<u>15,921</u>	<u>0</u>	<u>15,921</u>	<u>76,957</u>
Total revenues before net investment income.....	178,154	4,408	182,562	185,414
Investment income (loss), net of fees .....	<u>511</u>	<u>25,374</u>	<u>25,885</u>	<u>26,718</u>
Total revenues .....	178,665	29,782	208,447	212,132
<b>Net assets released from restrictions:</b>				
Donor restrictions satisfied .....	<u>10,173</u>	<u>(10,173)</u>		
<b>Expenses:</b>				
Program services:				
Field operations .....	27,316		27,316	37,846
Human resources and training .....	5,448		5,448	8,877
Program development and delivery .....	71,649		71,649	54,526
Program marketing .....	3,294		3,294	5,450
World Scout Bureau fees .....	1,404		1,404	354
Insurance programs—losses and costs (Notes 7 and 13) .....	61,924		61,924	50,680
Premiums .....	<u>(7,358)</u>		<u>(7,358)</u>	<u>(5,535)</u>
	<u>54,566</u>		<u>54,566</u>	<u>45,145</u>
Total program services .....	<u>163,677</u>		<u>163,677</u>	<u>152,198</u>
Supporting services:				
Management and general .....	156,927		156,927	113,024
Fundraising .....	<u>2,862</u>		<u>2,862</u>	<u>2,635</u>
Total supporting services .....	<u>159,789</u>		<u>159,789</u>	<u>115,659</u>
Total expenses .....	<u>323,466</u>	<u>0</u>	<u>323,466</u>	<u>267,857</u>
Change in net assets—controlling interest .....	(134,628)	19,609	(115,019)	(55,725)
Change in net assets—noncontrolling interest (Commingled Endowment LP).....	<u>(12,943)</u>	<u>0</u>	<u>(12,943)</u>	<u>3,063</u>
<b>Change in net assets .....</b>	<b>(147,571)</b>	<b>19,609</b>	<b>(127,962)</b>	<b>(52,662)</b>
<b>Net assets, beginning of year .....</b>	<b><u>471,176</u></b>	<b><u>204,392</u></b>	<b><u>675,568</u></b>	<b><u>728,230</u></b>
<b>Net assets, end of year .....</b>	<b><u>\$ 323,605</u></b>	<b><u>\$ 224,001</u></b>	<b><u>\$ 547,606</u></b>	<b><u>\$ 675,568</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

## DEBTOR IN POSSESSION    UNAUDITED

Year ended December 31, 2021 (with summarized totals for 2020)

(In thousands)

Boy Scouts of America

	PROGRAM SERVICES							
	Field Operations		Human Resources and Training		Program Development and Delivery		Program Marketing	
	2021	2020	2021	2020	2021	2020	2021	2020
Salaries	\$ 9,037	\$ 16,185	\$ 3,163	\$ 4,734	\$ 20,133	\$ 15,057	\$ 2,381	\$ 2,559
Benefits	3,257	5,550	886	1,615	5,228	4,263	609	726
Travel	225	534	45	46	116	242	(5)	15
Office expense and occupancy	5,381	5,026	717	914	9,849	8,918	471	515
Depreciation and amortization	1,598	2,061	183	236	4,246	4,523	41	43
Insurance losses and costs								
Premiums								
Net insurance programs								
Jamboree (world/national)					0	0		
All other expenses	7,818	8,435	550	1,377	31,631	20,433	240	1,818
Allocated expenses <sup>1</sup>	<u>0</u>	<u>55</u>	<u>(96)</u>	<u>(45)</u>	<u>446</u>	<u>1,090</u>	<u>(443)</u>	<u>(226)</u>
Total expenses	<u>\$ 27,316</u>	<u>\$ 37,846</u>	<u>\$ 5,448</u>	<u>\$ 8,877</u>	<u>\$ 71,649</u>	<u>\$ 54,526</u>	<u>\$ 3,294</u>	<u>\$ 5,450</u>

	PROGRAM SERVICES					
	World Scout Bureau Fees		Insurance Programs		Total Program Services	
	2021	2020	2021	2020	2021	2020
Salaries					\$ 34,714	\$ 38,535
Benefits					9,980	12,154
Travel					381	837
Office expense and occupancy					16,418	15,373
Depreciation and amortization					6,068	6,863
Insurance losses and costs			\$ 61,924	\$ 50,680	61,924	50,680
Premiums			<u>(7,358)</u>	<u>(5,535)</u>	<u>(7,358)</u>	<u>(5,535)</u>
Net insurance programs			54,566	45,145	54,566	45,145
Jamboree (world/national)					0	0
All other expenses	\$ 1,404	\$ 354			41,643	32,417
Allocated expenses <sup>1</sup>					<u>(93)</u>	<u>874</u>
Total expenses	<u>\$ 1,404</u>	<u>\$ 354</u>	<u>\$ 54,566</u>	<u>\$ 45,145</u>	<u>\$163,677</u>	<u>\$152,198</u>

	SUPPORTING SERVICES							
	Management and General		Fundraising		Total Supporting Services		Total Expenses	
	2021	2020	2021	2020	2021	2020	2021	2020
Salaries	\$ 11,391	\$13,754	\$ 2,115	\$ 1,519	\$ 13,506	\$ 15,273	\$ 48,220	\$ 53,808
Benefits	2,797	3,752	524	420	3,321	4,172	13,301	16,326
Travel	102	259	25	15	127	274	508	1,111
Office expense and occupancy	981	1,502	110	461	1,091	1,963	17,509	17,336
Depreciation and amortization	13,238	13,173	21	32	13,259	13,205	19,327	20,068
Insurance losses and costs							61,924	50,680
Premiums							<u>(7,358)</u>	<u>(5,535)</u>
Net insurance programs							54,566	45,145
Jamboree (world/national)							0	0
All other expenses	130,546	83,969	49	163	130,595	84,132	172,238	116,549
Allocated expenses <sup>1</sup>	<u>(2,128)</u>	<u>(3,385)</u>	<u>18</u>	<u>25</u>	<u>(2,110)</u>	<u>(3,360)</u>	<u>(2,203)</u>	<u>(2,486)</u>
Total expenses	<u>\$ 156,927</u>	<u>\$ 113,024</u>	<u>\$ 2,862</u>	<u>\$ 2,635</u>	<u>\$ 159,789</u>	<u>\$ 115,659</u>	<u>\$323,466</u>	<u>\$267,857</u>

<sup>1</sup> Certain expenses have been allocated to Supply operations, Magazine publications, and Program services. The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## DEBTOR IN POSSESSION UNAUDITED

Year ended December 31, 2021 (with summarized totals for 2020)

(In thousands)

Boy Scouts of America

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operations:</b>		
Change in net assets .....	\$ (127,962)	\$ (52,662)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operations:		
Depreciation and amortization .....	21,436	22,347
Net realized and unrealized (gains) on investments .....	(58,632)	(56,173)
Interest and dividends reinvested .....	(933)	(901)
Contributions to the permanently restricted endowment .....	(1,317)	(88)
Contributions restricted for capital expenditures and debt service .....	(126)	(2,151)
Net losses on disposal of land, buildings, and equipment .....	2,174	5,792
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable .....	(3,739)	11,755
Decrease in pledges receivable .....	1,259	1,512
Decrease in other receivables .....	158	70
Decrease in inventories .....	21,208	8,666
Decrease in prepaid charges/other assets/gift annuities .....	5,067	14,982
Increase (decrease) in account payables/accrued liability/gift annuities .....	32,009	(43,655)
(Decrease) increase in unearned fees and subscriptions .....	(5,760)	11,640
(Decrease) increase in insurance reserves.....	<u>(780)</u>	<u>4,108</u>
Net cash and cash equivalents (used in) operations .....	<u>(115,938)</u>	<u>(74,758)</u>
<b>Cash Flows from Investing:</b>		
Additions to land, buildings, and equipment .....	(3,562)	(11,108)
Net sales of investments .....	137,846	28,347
Increase (decrease) in securities lending payable .....	<u>1,036</u>	<u>(606)</u>
Net cash and cash equivalents provided by investing activities .....	<u>135,320</u>	<u>16,633</u>
<b>Cash Flows from Financing:</b>		
Increase in line of credit financing .....	25,000	10,000
Net borrowing (payments) on line of credit financing .....	0	0
Repayment of debt .....	0	(2,255)
Contributions to the permanently restricted endowment .....	1,317	88
Contributions restricted for capital expenditures and debt service .....	<u>126</u>	<u>2,151</u>
Net cash and cash equivalents provided by financing activities .....	<u>26,443</u>	<u>9,984</u>
Increase (decrease) in cash and cash equivalents .....	45,825	(48,141)
Cash and cash equivalents, beginning of year .....	<u>150,773</u>	<u>198,914</u>
Cash and cash equivalents, end of year .....	<u>\$ 196,598</u>	<u>\$ 150,773</u>
<b>Supplemental Cash Flow Information:</b>		
Interest paid .....	\$ 7,165	\$ 6,767
Gifts-in-kind .....	69	2,935

The accompanying notes are an integral part of these consolidated financial statements.