

BOY SCOUTS OF AMERICA
(DEBTOR IN POSSESSION)
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
PERIODS ENDED DECEMBER 31, 2022
(CEO FLASH REPORT)
(NON GAAP FOR MANAGERIAL PURPOSES ONLY)

(In Thousands)

	CURRENT MONTH					YEAR - T O - D A T E					Annual Budget
	Actual	Budget	Favorable (Unfavorable) vs. Budget	Same Period Last Year	Favorable (Unfavorable) vs. Last Year	Actual	Budget	Favorable (Unfavorable) vs. Budget	Same Period Last Year	Favorable (Unfavorable) vs. Last Year	
				(1)					(1)		
NSC Revenues:											
Supply Sales	\$ 4,414	\$ 5,987	\$ (1,573) ①	\$ 4,609	\$ (195)	\$ 81,350	\$ 94,355	\$ (13,005) ①	\$ 74,027	\$ 7,323	\$ 94,355
High-adventure Base Revenue	312	866	(554) ②	645	(333)	52,010	60,208	(8,198) ②	58,184	(6,174)	60,208
Jamboree Revenue	11	0	11	0	11	2,059	0	2,059	5	2,054	0
Jamboree Deferred Revenue	(11)	0	(11)	0	(11)	(2,059)	0	(2,059)	(5)	(2,054)	0
Total Other Revenues	<u>4,726</u>	<u>6,853</u>	<u>(2,127)</u>	<u>5,254</u>	<u>(528)</u>	<u>133,360</u>	<u>154,563</u>	<u>(21,203)</u>	<u>132,211</u>	<u>1,149</u>	<u>154,563</u>
NSC Program Revenues:											
Registration Fees	5,915	4,815	1,100	7,960	(2,045)	78,103	78,710	(607)	77,577	526	78,710
National Service Fees	0	0	0	0	0	9,344	9,353	(9)	8,188	1,156	9,353
GLIP Revenues (without GLIP Registration Fee)	2,116	450	1,666 ③	4,152	(2,036)	5,009	4,655	354	7,890	(2,881)	4,655
Unrestricted Earnings on Investments	152	10	142	(78)	230	(2,349)	122	(2,471)	494	(2,843)	122
Contributions and Bequest	1,917	187	1,730 ④	419	1,498	4,248	3,787	461 ④	5,646	(1,398)	3,787
Other Revenues	1,836	1,444	392 ⑤	1,206	630	34,193	26,601	7,592 ⑤	15,199	18,994	26,601
Total Program Revenues	<u>11,936</u>	<u>6,906</u>	<u>5,030</u>	<u>13,659</u>	<u>(1,723)</u>	<u>128,548</u>	<u>123,228</u>	<u>5,320</u>	<u>114,994</u>	<u>13,554</u>	<u>123,228</u>
Total all Revenues	<u>16,662</u>	<u>13,759</u>	<u>2,903</u>	<u>18,913</u>	<u>(2,251)</u>	<u>261,908</u>	<u>277,791</u>	<u>(15,883)</u>	<u>247,205</u>	<u>14,703</u>	<u>277,791</u>
NSC Expenses											
Supply COGS & Expenses	22	3,656	3,634 ①	1,797	1,775	36,986	55,066	18,080 ①	41,685	4,699	55,066
High-adventure Base Expense	2,316	1,717	(599) ⑥	3,611	1,295	30,416	29,127	(1,289)	31,594	1,178	29,127
Jamboree Expense	170	125	(45)	4,304	4,134	1,807	1,500	(307)	4,304	2,497	1,500
Jamboree Deferred Expense	(170)	(125)	45	0	170	(1,807)	(1,500)	307	0	1,807	(1,500)
Total Program Expenses	<u>2,338</u>	<u>5,373</u>	<u>3,035</u>	<u>9,712</u>	<u>7,374</u>	<u>67,402</u>	<u>84,193</u>	<u>16,791</u>	<u>77,583</u>	<u>10,181</u>	<u>84,193</u>
Other Expenses:											
GLIP Claims, Losses, Expenses, Distributions	3,613	3,186	(427)	3,496	(117)	38,606	37,671	(935)	36,117	(2,489)	37,671
GLIP Reserve Adjustment	0	0	0	0	0	0	0	0	0	0	0
Salary and benefits expenses	6,309	7,323	1,014 ⑦	6,682	373	80,637	88,125	7,488	83,936	3,299	88,125
Outsourcing/External Services	360	743	383 ⑧	139	(221)	7,937	8,882	945	9,815	1,878	8,882
Information Technology	595	842	247 ⑨	861	266	8,377	9,156	779	8,234	(143)	9,156
Depreciation	1,162	1,218	56	1,251	89	14,609	14,617	8	15,277	668	14,617
Interest	935	776	(159) ⑩	643	(292)	10,978	8,961	(2,017) ⑩	7,193	(3,785)	8,961
Other expenses	1,327	639	(688) ⑪	(4,374)	(5,701)	13,614	20,099	6,485 ⑪	6,947	(6,667)	20,099
Bankruptcy Costs	3,203	0	(3,203) ⑫	24,466	21,263	163,306	80,000	(83,306) ⑫	149,143	(14,163)	80,000
Pension Contributions	0	0	0	0	0	0	0	0	0	0	0
Total Other Expenses	<u>17,504</u>	<u>14,727</u>	<u>(2,777)</u>	<u>33,164</u>	<u>15,660</u>	<u>338,064</u>	<u>267,511</u>	<u>(70,553)</u>	<u>316,662</u>	<u>(21,402)</u>	<u>267,511</u>
Total all Expenses	<u>19,842</u>	<u>20,100</u>	<u>258</u>	<u>42,876</u>	<u>23,034</u>	<u>405,466</u>	<u>351,704</u>	<u>(53,762)</u>	<u>394,245</u>	<u>(11,221)</u>	<u>351,704</u>
Net Income (Loss) before Released from Restrictions	<u>(3,180)</u>	<u>(6,341)</u>	<u>3,161</u>	<u>(23,963)</u>	<u>20,783</u>	<u>(143,558)</u>	<u>(73,913)</u>	<u>(69,645)</u>	<u>(147,040)</u>	<u>3,482</u>	<u>(73,913)</u>
Net Assets Released from Restrictions	2,745	517	2,228	1,343	1,402	7,516	7,436	80	8,669	(1,153)	7,436
Net Assets Released from Restrictions - Contributions	(226)	0	(226)	(126)	(100)	(226)	0	(226)	(126)	(100)	0
Net Income (Loss) after Released from Restrictions	<u>(661)</u>	<u>(5,824)</u>	<u>5,163</u>	<u>(22,746)</u>	<u>22,085</u>	<u>(136,268)</u>	<u>(66,477)</u>	<u>(69,791)</u>	<u>(138,497)</u>	<u>2,229</u>	<u>(66,477)</u>
Increase (decrease) in net assets-noncontrolling interest (Commingled Endowment LP)	(2,716)	0	(2,716)	2,951	(5,667)	(49,911)	0	(49,911)	(7,241)	(42,670)	0
Increase (decrease) in net assets	<u>\$ (3,377)</u>	<u>\$ (5,824)</u>	<u>\$ 2,447</u>	<u>\$ (19,795)</u>	<u>\$ 16,418</u>	<u>\$ (186,179)</u>	<u>\$ (66,477)</u>	<u>\$ (119,702)</u>	<u>\$ (145,738)</u>	<u>\$ (40,441)</u>	<u>\$ (66,477)</u>

(1) Certain reclassifications have been made to numbers previously reported.

SIGNIFICANT ACTUAL VS BUDGET VARIANCE EXPLANATIONS

① Monthly

The net favorable variance of \$2,061,000 for December, compared with budget, relates to the impact of missed sales offset by a favorable sales margin rate, favorable royalty revenue and favorable December total expenses mainly due to reduction in expenses for capitalized items.

Year-to-date

The net favorable variance of \$5,075,000 compared with budget, relates to the impact of missed sales offset by a favorable sales margin rate, favorable royalty revenue and favorable total expenses.

② Monthly

The unfavorable variance of \$554,000, compared with budget, relate mainly to an inventory write off at the Summit.

Year-to-date

The unfavorable variance of \$8,198,000, compared with budget, relates to lower than anticipated training and expedition fees, coupled with lower revenue related to program and special events. Northern Tier's camping fees were lower due to the 2022 closure of Atikokan base and expedition fees were lower at Philmont due to low attendance and the cancellation of five Scouting U courses at the Summit that were budgeted in program and special events.

③ Monthly

The favorable variance of \$1,666,000, compared with budget, relates to the fact that the national activity surcharge and unit liability insurance fees were higher than anticipated due to the inclusion of several months of revenue recorded in December 2022.

④ Monthly

The favorable variances of \$1,730,000, compared with budget, relate to unpredictable timing of unsolicited trust and estate gifts.

Year-to-date

The favorable variance of \$461,000, compared with budget, relates to the same factor that caused the monthly variances.

⑤ Monthly

The favorable variance of \$392,000, compared with budget, relates to an increase in oil and gas royalties, interest income and miscellaneous income.

Year-to-date

The favorable variance of \$7,592,000, compared with budget, relate mainly to the sale of the NDC building, coupled with increases in oil and gas royalties and the receipt of a settlement relating to the construction defects of the Florida Sea Base scuba training pool.

⑥ Monthly

The unfavorable variance of \$599,000, compared with budget, relates to the timing of national activity surcharges for all HAB's except Florida Sea Base, coupled with an increase in program supplies at Florida Sea Base due to changes in their sailing program that required additional materials.

⑦ Monthly

The favorable variance of \$1,014,000, compared with budget, relates to vacancies due to unfilled staff positions, coupled with delayed merit increases.

⑧ Monthly

The favorable variance of \$383,000, compared with budget, relates to a number of factors the most significant includes lower than anticipated independent contractors costs due to holidays, project priorities, and timing of SOC1 audit expenses.

⑨ Monthly

The favorable variance of \$247,000, compared with budget, relate to the timing of hosting expenses, software licensing, changes in project priorities, and renegotiation of local council and Scout shop firewall monitoring contract changes.

⑩ Monthly

The unfavorable variance of \$159,000, compared with budget, mainly due to an increase in the letters of credit, offset by a lower Libor rate for the term loan.

Year-to-date

The unfavorable variance of \$2,017,000, compared with budget, relate to the same factors that caused the monthly variances.

⑪ Monthly

The unfavorable variance primarily relate to the following:

Operating – The unfavorable variance of \$1,149,000, compared with budget, relates to a newly opened grant in 2022 that was released to councils for Scout reach programs, coupled with higher Order of the Arrow conference expense.

Insurance – The unfavorable variance of \$334,000, compared with budget, relates to the timing of payments related to local council criminal background check invoice and property and casualty insurance.

Other Expenses – The favorable variance of \$900,000, compared with budget, relates mainly to the year-end adjustments to the employee benefit plan.

Year-to-date

The favorable variance primarily relate to the following:

Operating – The favorable variance of \$3,882,000, compared with budget, relates to a number of factors the most significant of which includes the delay in 2022 of advertising projects, postponing the Women of Character event and the Wood Badge course due to covid, coupled with the timing of grants and scholarships to the Scouts.

Insurance – The favorable variance of \$900,000, compared with budget, relates to lower than anticipated property and casualty insurance and insurance premiums.

Legal Fees – The favorable variance of \$1,977,000, compared with budget, respectively, relate to a refund of renegotiated legal fees, coupled with reclassing legal payments to bankruptcy costs.

⑫ Monthly

The unfavorable variance of \$3,203,000, compared with budget, relates to unbudgeted legal fees.

Year-to-date

The unfavorable variance of \$83,306,000, compared with budget, relate to more fees being charged in 2022, coupled with \$56,970,000 of standby letter of credit draws are included in the bankruptcy costs.

In conclusion, as of December 31, budgeted 2022 revenues were under budget primarily due to lower supply sales, HAB revenue, registration fees, and losses on unrestricted earnings on investments, offset by the revenue received from the sale of the NDC. 2022 expenses were higher when compared to budget due to bankruptcy costs.