

BOY SCOUTS OF AMERICA
(DEBTOR IN POSSESSION)
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
PERIODS ENDED FEBRUARY 28, 2023
(NON GAAP FOR MANAGERIAL PURPOSES ONLY)

(In Thousands)

	YEAR - T O - D A T E					
	Actual	Budget	Favorable (Unfavorable) vs. Budget	Same Period Last Year (1)	Favorable (Unfavorable) vs. Last Year	Annual Budget
NSC Revenues:						
Supply Sales	\$ 11,712	\$ 11,414	\$ 298 ①	\$ 9,718	\$ 1,994	\$ 87,727
High-adventure Base Revenue	1,994	1,628	366	1,411	583	62,354
Jamboree Revenue	393	10,294	(9,901) ②	0	393	17,344
Jamboree Deferred Revenue	2,325	0	2,325 ③	0	2,325	0
Total Other Revenues	16,424	23,336	(6,912)	11,129	5,295	167,425
NSC Program Revenues:						
Registration Fees	37,982	35,148	2,834	31,768	6,214	100,176
National Service Fees	1,034	1,011	23	954	80	10,107
GLIP Revenues (without GLIP Registration Fee)	2,167	1,850	317 ④	1,171	996	6,946
Unrestricted Earnings on Investments	244	20	224	(846)	1,090	121
Contributions and Bequest	266	239	27	228	38	2,863
Other Revenues	6,628	3,253	3,375 ⑤	4,873	1,755	26,844
Total Program Revenues	48,321	41,521	6,800	38,148	10,173	147,057
Total all Revenues	64,745	64,857	(112)	49,277	15,468	314,482
NSC Expenses:						
Supply COGS & Expenses	6,226	6,735	509 ①	5,814	(412)	46,517
High-adventure Base Expense	4,565	4,252	(313)	3,362	(1,203)	31,480
Jamboree Expense	1,951	3,607	1,656 ⑦	251	(1,700)	15,397
Jamboree Deferred Expense	1,807	0	(1,807) ⑧	(251)	(2,058)	0
Total Program Expenses	14,549	14,594	45	9,176	(5,373)	93,394
Other Expenses:						
GLIP Claims, Losses, Expenses, Distributions	6,317	7,254	937	5,831	(486)	42,366
GLIP Reserve Adjustment (2)	2,167,636	0	(2,167,636) ⑨	0	(2,167,636)	0
Salary and benefits expenses	12,243	14,091	1,848 ⑩	11,665	(578)	93,389
Outsourcing/External Services	1,559	1,590	31	1,315	(244)	9,836
Information Technology	1,522	1,436	(86)	1,318	(204)	9,177
Depreciation	2,321	2,118	(203)	2,471	150	12,710
Interest	1,838	1,586	(252) ⑪	1,341	(497)	14,439
Other expenses	2,205	4,042	1,837 ⑫	1,317	(888)	23,879
Bankruptcy Costs	5,402	800	(4,602) ⑬	90,969	85,567	4,800
Pension Contributions	0	0	0	0	0	0
Total Other Expenses	2,201,043	32,917	(2,168,126)	116,227	(2,084,816)	210,596
Total all Expenses	2,215,592	47,511	(2,168,081)	125,403	(2,090,189)	303,990
Net Assets Released from Restrictions	1,054	1,752	(698)	406	648	12,706
Increase (decrease) in net assets	\$ (2,149,793)	\$ 19,098	\$ (2,168,891)	\$ (75,720)	\$ (2,074,073)	\$ 23,198

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

(2) As the result of the 2018 audit, a provision adjustment was recognized and is reflected in the financial statements in February 2023.

Hybrid P&L:

Add back: Depreciation	3,282	3,221	61	3,491	(209)	19,324
Subtract: Minimal/Maintenance Capex	(83)	(156)	73	(51)	(32)	(7,374)
Subtract: principal portion of debt payments	0	0	0	0	0	0
Add back: contingency (restructuring changes included above)	5,402	800	4,602	90,969	(85,567)	4,800
Add back: GLIP Reserve Adjustment	2,167,636	0	2,167,636	0	2,167,636	0
Equals: Hybrid P&L	\$ 26,444	\$ 22,963	\$ 3,481	\$ 18,689	\$ 7,755	\$ 39,948

Net Supply, HAB, and Jamboree Operations (includes Sale

Net Supply Operations	\$ 1,666	\$ 479	\$ 1,187	\$ 646	\$ 1,020	\$ 15,125
Net HAB Operations	(4,840)	(5,246)	406	(4,019)	(821)	8,608
Net Jamboree (revenues/expenses deferred until 2023)	(1,086)	6,505	(7,591)	0	(1,086)	1,313

SIGNIFICANT ACTUAL VS BUDGET VARIANCE EXPLANATIONS

① Year-to-date

The net favorable variance of \$807,000, compared with budget, is primarily driven by favorable product margins and royalty revenue.

② Monthly

The unfavorable variance of \$3,470,000, compared with budget, relates to lower than anticipated revenue due to holding off invoicing the councils and staff due to cash management for bankruptcy.

Year-to-date

The unfavorable variance of \$9,901,000, compared with budget, relates to the same factors that caused the monthly variance with budget.

③ Year-to-date

The favorable variance of \$2,325,000, compared with budget, relate to the recognition of deferred revenue for the National Jamboree.

④ Year-to-date

The favorable variance of \$317,000, compared with budget, relates to an increase in unit liability insurance fees.

⑤ Monthly

The favorable variance of \$884,000, compared with budget, relates to a number of factors the most significant of which includes the receipt of higher oil and gas royalties, interest income, World Jamboree fees and miscellaneous revenues.

Year-to-date

The favorable variance of \$3,375,000, compared with budget, relate to the same factors that caused the monthly variance.

⑥ Monthly

The unfavorable variance of \$655,000, compared with budget, relate to a number of factors the most significant of which includes the timing of tentage and trail food invoices at Philmont, coupled with paying leasing fees earlier than budgeted to support captains whose boats were damaged by hurricane Ian and the timing of food purchases at Florida Sea Base.

⑦ Monthly

The unfavorable variance of \$427,000, compared with budget, relates to timing of payments for the food service contract.

Year-to-date

The favorable variance of \$1,656,000, compared with budget, relates to holding off on spending on expenses until the cash is requested through invoicing the councils and staff.

⑧ Year-to-date

The unfavorable variance of \$1,807,000, compared with budget, relates to the recognition of deferred Jamboree expenses.

⑨ Monthly

The unfavorable variance of \$2,167,636,000, compared with budget, is the result of the 2018 audit, a provision adjustment was recognized in the current month.

Year-to-date

The unfavorable variance of \$2,167,636,000, compared with budget, relate to the same factors that caused the monthly variance.

⑩ Monthly

The favorable variance of \$1,228,000, compared with budget, relates to vacancies due to unfilled staff positions, coupled with delayed merit increases.

Year-to-date

The favorable variance of \$1,848,000, compared with budget, relates to the same factors that caused that monthly variance.

⑪ Monthly

The unfavorable variance of \$104,000, compared with budget, relates to higher than budgeted interest expense.

Year-to-date

The unfavorable variance of \$252,000, compared with budget, relates to the same factors that caused the monthly variance with budget.

⑫ Monthly

The favorable variance primarily relate to the following:

Operating – The favorable variance of \$296,000, compared with budget, relates to lower than budgeted grant expense, scholarship, travel costs nonemployee, promotional items, advertising, and bank charges. Several projects and events are delayed until bankruptcy emerge.

Insurance – The favorable variance of \$1,293,000, compared with budget, relate to the timing of D&O premiums and lower than budgeted local council criminal background checks invoices.

Year-to-date

The favorable variance primarily relate to the following:

Operating – The favorable variance of \$772,000, compared with budget, relates to the same factors that caused the monthly variance with budget. grant expense.

Insurance – The favorable variance of \$1,683,000, compared with budget, relate to the same factors that caused the monthly variances, coupled with the timing of local council criminal background checks invoice.

Other Expenses – The unfavorable variance of \$232,000, compared with budget, relate to higher grant expense, long term with the recognition of prior year Jamboree expense.

⑬ Monthly

The unfavorable variance of \$1,312,000, compared with budget, relates to timing due to the budgeted exit from bankruptcy was December 2022, with some fees rolling over into 2023. We are still in bankruptcy and incurring costs.

Year-to-date

The unfavorable variance of \$4,602,000, compared with budget, relates to the same factors that caused the monthly variance with budget.

In conclusion, as of February 2023, overall revenues are on track for the year when compared with budget at this time primarily due to higher registration fees and other revenues. 2023 expenses were higher when compared to budget due to the GLIP reserve adjustment and bankruptcy costs.