

BOY SCOUTS OF AMERICA
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
PERIODS ENDED JULY 31, 2023
(NON GAAP FOR MANAGERIAL PURPOSES ONLY)

(In Thousands)

	CURRENT MONTH				
	Actual	Budget	Favorable (Unfavorable) vs. Budget	Same Period Last Year (1)	Favorable (Unfavorable) vs. Last Year
NSC Revenues:					
Supply Sales	\$ 6,347	\$ 5,891	\$ 456	\$ 5,200	\$ 1,147
High-adventure Base Revenue	19,497	19,858	(361)	15,217	4,280
Jamboree Revenue	612	431	181 ①	69	543
Jamboree Deferred Revenue	0	0	0	(69)	69
Total Other Revenues	26,456	26,180	276	20,417	6,039
NSC Program Revenues:					
Registration Fees	1,304	1,689	(385)	1,441	(137)
National Service Fees	1,012	1,011	1	933	79
GLIP Revenues (without GLIP Registration Fee)	163	124	39	103	60
Unrestricted Earnings on Investments	138	10	128	(374)	512
Contributions and Bequest	127	250	(123) ③	211	(84)
Other Revenues	1,860	2,321	(461) ④	5,617	(3,757)
Total Program Revenues	4,604	5,405	(801)	7,931	(3,327)
Total all Revenues	31,060	31,585	(525)	28,348	2,712
NSC Expenses:					
Supply COGS & Expenses	3,290	3,424	134	2,406	(884)
High-adventure Base Expense	3,707	4,315	608 ⑤	4,035	328
Jamboree Expense	2,309	1,327	(982) ⑥	129	(2,180)
Jamboree Deferred Expense	0	0	0	(129)	(129)
Total Program Expenses	9,306	9,066	(240)	6,441	(2,865)
Other Expenses:					
GLIP Claims, Losses, Expenses, Distributions	3,121	3,474	353 ⑧	3,236	115
GLIP Reserve Adjustment (2)	0	0	0	0	0
Salary and benefits expenses	8,749	9,656	907	8,630	(119)
Outsourcing/External Services	904	873	(31)	617	(287)
Information Technology	583	752	169 ⑨	583	0
Depreciation	1,118	1,059	(59)	1,223	105
Interest	1,489	1,285	(204) ⑩	1,004	(485)
Other expenses	1,308	1,459	151 ⑪	5,094	3,786
Bankruptcy Costs	(312)	400	712 ⑫	(5,809)	(5,497)
Pension Contributions	0	0	0	0	0
Total Other Expenses	16,960	18,958	1,998	14,578	(2,382)
Total all Expenses	26,266	28,024	1,758	21,019	(5,247)
Net Assets Released from Restrictions	565	561	4	589	(24)
Net Income (Loss)	5,359	4,122	1,237	7,918	(2,559)
Extraordinary Gain (2)	0	0	0	0	0
Net Income (Loss) after Extraordinary Gain	\$ 5,359	\$ 4,122	\$ 1,237	\$ 7,918	\$ (2,559)
(1) Certain reclassifications have been made to numbers previously reported.					
(2) On April 19, 2023 the National Council of the Boy Scouts of America emerged from bankruptcy, resulting in the transfer of GLIP liabilities to the Settlement Trust.					
Hybrid P&L:					
Add back: Depreciation	1,589	1,610	(21)	1,696	(107)
Subtract: Minimal/Maintenance Capex	(586)	(1,617)	1,031	(413)	(173)
Subtract: principal portion of debt payments	(1,166)	0	(1,166)	0	(1,166)
Add back: contingency (restructuring changes included above)	(312)	400	(712)	(5,809)	5,497
Equals: Hybrid P&L	<u>\$ 4,884</u>	<u>\$ 4,515</u>	<u>\$ 369</u>	<u>\$ 3,392</u>	<u>\$ 1,492</u>
Net Supply, HAB, and Jamboree Operations (includes Salary and Benefits):					
Net Supply Operations	\$ 980	\$ 253	\$ 727	\$ 1,014	\$ (34)
Net HAB Operations	12,729	11,753	976	7,794	4,935
Net Jamboree (revenues/expenses deferred until 2023)	(1,952)	(987)	(965)	0	(1,952)

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PERIODS ENDED JULY 31, 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	\$ 46,616	\$ 44,676	\$ 1,940	\$ 42,089	\$ 4,527	\$ 87,727
High-adventure Base Revenue	43,004	45,545	(2,541)	41,125	1,879	62,354
Jamboree Revenue	18,516	17,344	1,172	237	18,279	17,344
Jamboree Deferred Revenue	2,325	0	2,325 (2)	(237)	2,562	0
Total Other Revenues	110,461	107,565	2,896	83,214	27,247	167,425
NSC Program Revenues:						
Registration Fees	52,552	58,070	(5,518)	55,640	(3,088)	100,176
National Service Fees	6,089	6,064	25	5,618	471	10,107
GLIP Revenues (without GLIP Registration Fee)	3,313	3,516	(203)	2,284	1,029	6,946
Unrestricted Earnings on Investments	517	70	447	(2,622)	3,139	121
Contributions and Bequest	3,033	1,548	1,485 (3)	1,696	1,337	2,863
Other Revenues	18,646	14,505	4,141 (4)	24,909	(6,263)	26,844
Total Program Revenues	84,150	83,773	377	87,525	(3,375)	147,057
Total all Revenues	194,611	191,338	3,273	170,739	23,872	314,482
NSC Expenses:						
Supply COGS & Expenses	25,780	26,146	366	22,663	(3,117)	46,517
High-adventure Base Expense	21,790	21,344	(446)	19,879	(1,911)	31,480
Jamboree Expense	9,463	7,159	(2,304) (6)	891	(8,572)	15,397
Jamboree Deferred Expense	1,807	0	(1,807) (7)	(891)	(2,698)	0
Total Program Expenses	58,840	54,649	(4,191)	42,542	(16,298)	93,394
Other Expenses:						
GLIP Claims, Losses, Expenses, Distributions	22,009	24,718	2,709 (8)	22,108	99	42,366
GLIP Reserve Adjustment (2)	2,167,636	0	(2,167,636)	0	(2,167,636)	0
Salary and benefits expenses	53,042	56,605	3,563	48,045	(4,997)	93,389
Outsourcing/External Services	5,479	5,829	350	4,754	(725)	9,836
Information Technology	4,758	5,172	414	4,570	(188)	9,177
Depreciation	7,969	7,414	(555)	8,620	651	12,710
Interest	8,530	8,033	(497)	5,880	(2,650)	14,439
Other expenses	11,963	14,535	2,572 (11)	7,485	(4,478)	23,879
Bankruptcy Costs	159,941	2,800	(157,141) (12)	144,508	(15,433)	4,800
Pension Contributions	0	0	0	0	0	0
Total Other Expenses	2,441,327	125,106	(2,316,221)	245,970	(2,195,357)	210,596
Total all Expenses	2,500,167	179,755	(2,320,412)	288,512	(2,211,655)	303,990
Net Assets Released from Restrictions	3,625	8,799	(5,174)	2,700	925	12,706
Net Income (Loss)	(2,301,931)	20,382	(2,322,313)	(115,073)	(2,186,858)	23,198
Extraordinary Gain (2)	2,400,000	0	2,400,000 (13)	0	2,400,000	0
Net Income (Loss) after Extraordinary Gain	\$ 98,069	\$ 20,382	\$ 77,687	\$ (115,073)	\$ 213,142	\$ 23,198
(1) Certain reclassifications have been made to numbers previously reported.						
(2) On April 19, 2023 the National Council of the Boy Scouts of America emerged from bankruptcy, resulting in the transfer of GLIP liabilities to the Settlement Trust.						
Hybrid P&L:						
Add back: Depreciation	11,277	11,272	5	12,095	(818)	19,324
Subtract: Minimal/Maintenance Capex	(2,105)	(3,250)	1,145	(947)	(1,158)	(7,374)
Subtract: principal portion of debt payments	(2,645)	(1,070)	(1,575)	0	(2,645)	(9,900)
Add back: contingency (restructuring changes included above)	159,941	2,800	157,141	144,508	15,433	4,800
Equals: Hybrid P&L	\$ 264,537	\$ 30,134	\$ 234,403	\$ 40,583	\$ 223,954	\$ 30,048
Net Supply, HAB, and Jamboree Operations (includes Salary and Benefits):						
Net Supply Operations	\$ 6,443	\$ 3,619	\$ 2,824	\$ 7,168	\$ (725)	\$ 15,125
Net HAB Operations	8,007	9,328	(1,321)	8,614	(607)	8,608
Net Jamboree (revenues/expenses deferred until 2023)	9,144	9,551	(407)	0	9,144	1,313

SIGNIFICANT ACTUAL VS BUDGET VARIANCE EXPLANATIONS

① Monthly

The favorable variance of \$181,000, compared with budget, relate to the fact that rafting and exhibitor income exceeded planned income, coupled with higher attendance than expected.

② Year-to-date

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

③ Monthly

The unfavorable variance of \$123,000, compared with budget, relates to unpredictability of unsolicited gifts, coupled with the pending revision of the digital philanthropy solicitation strategy.

Year-to-date

The favorable variance of \$1,485,000, compared with budget, relate to higher unsolicited gifts collected in January through July of 2023.

④ Monthly

The unfavorable variance of \$461,000, compared with budget, relates mainly to the timing of receipt of administrative fee charges for the Development Group.

Year-to-date

The favorable variance of \$4,141,000 compared with budget, relates to the receipt of higher oil and gas royalties, interest income, and miscellaneous revenues.

⑤ Monthly

The favorable variance of \$608,000, compared with budget, relates to a number of factors the most significant of which includes the timing of leasing fees paid at Florida Sea Base.

⑥ Monthly

The unfavorable variance of \$982,000, compared with budget, relate to higher costs related to waste removal, equip rental, program supplies, program event transportation, and outside services.

Year-to-date

The unfavorable variance of \$2,304,000, compared with budget, relate to higher costs related to food purchases, signs, program entertainment, and outside services.

⑦ Year-to-date

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

⑧ Monthly

The favorable variance of \$353,000, compared with budget, relates to lower than anticipated insurance premiums.

Year-to-date

The favorable variance of \$2,709,000, compared with budget, relates to lower than anticipated legal fees, GLIP expense-non claim related, paid settlements, loss control, and claims paid.

⑨ Monthly

The favorable variance of \$169,000, compared with budget, relates to the timing of licensing, hosting, savings in mobile and desktop phone expenses, coupled with the timing of IT penetration testing for the month.

⑩ Monthly

The unfavorable variance of \$204,000, compared with budget, relate to higher interest payments.

⑪ Monthly

The favorable variance primarily relate to the following:

Operating – The unfavorable variance of \$84,000, compared with budget, relates mainly to the timing of scholarships, coupled with higher than anticipated grant expense.

Insurance – The favorable variance of \$174,000, compared with budget, relates to the timing of invoices related to local council criminal background checks and property and casualty insurance.

Legal Fees - The unfavorable variance of \$106,000, compared with budget, relate to reclassing a retainer, coupled with the timing of invoices and payments.

Other Expenses – The favorable variance of \$297,000, compared with budget, relate to lower administrative fees expense in comparison to the same period last year.

Year-to-date

The favorable variance primarily relate to the following:

Facilities and Equipment – The favorable variance of \$3,240,000, compared with budget, relates to postponing construction projects at SBR and lower costs related to equipment purchases and rentals and electricity.

⑫ Monthly

The favorable variance of \$712,000, compared with budget, relates to less legal fees being charged in July than anticipated, coupled with a reduction in the professional fee reserve.

Year-to-date

The unfavorable variance of \$157,141,000, compared with budget, relates to more legal fees being charged in January through July 2023 than anticipated.

⑬ Year-to-date

The favorable variance of \$2,400,000,000, compared with budget, relate mainly to the emergence from bankruptcy and the transfer of the liabilities to the settlement trust.

In conclusion, as of July 2023, revenues were higher than budget primarily due to higher Supply sales, Jamboree revenues, other revenues, and contributions, offset by lower HAB revenues and registration fees. 2023 expenses were higher compared to budget due to bankruptcy costs.