

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2018 (with summarized totals for 2017)

(In thousands)

Boy Scouts of America

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 108,068	\$ 45,194
Investments, at fair value including collateral for securities on loan of \$7,132 (2017—\$12,216)	747,586	826,817
Accounts receivable, less allowance of \$103 (2017—\$103)	20,189	17,362
Pledges receivable, less discount of \$26,221 (2017—\$26,322)	91,239	63,024
Other receivables	1,618	2,956
Gift annuities	6,693	8,047
Prepaid and deferred charges	15,274	7,879
Inventories, less provision for obsolescence of \$6,616 (2017—\$4,712)	67,956	68,056
Land, buildings, and equipment, net	487,697	483,379
Other	<u>14,958</u>	<u>12,468</u>
Total assets	<u>\$ 1,561,278</u>	<u>\$ 1,535,182</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 45,856	\$ 40,613
Gift annuities	6,693	8,047
Unearned fees and subscriptions	93,314	45,247
Notes payable including line of credit	257,089	246,987
Insurance reserves	235,276	191,911
Payable upon return of securities loaned	<u>7,132</u>	<u>12,216</u>
Total liabilities	645,360	545,021
Commitments and contingencies		
Net assets:		
Without Donor Restrictions:		
Controlling interest:		
General operations	(24,814)	(20,626)
Board-designated	<u>457,610</u>	<u>556,468</u>
Total without donor restrictions—controlling interest	432,796	535,842
Noncontrolling interest (Commingled Endowment LP)	<u>251,926</u>	<u>229,121</u>
Total without donor restrictions	684,722	764,963
Total with donor restrictions	<u>231,196</u>	<u>225,198</u>
Total net assets	<u>915,918</u>	<u>990,161</u>
Total liabilities and net assets	<u>\$ 1,561,278</u>	<u>\$ 1,535,182</u>

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

Year ended December 31, 2018 (with summarized totals for 2017)

(In thousands)

Boy Scouts of America

	Without Donor Restrictions	With Donor Restrictions	Total	
			2018	2017
Revenues:				
Fees	\$ 123,709		\$ 123,709	\$ 138,672
Supply operations—sales	124,066		124,066	140,279
Cost of sales and expenses	<u>(106,043)</u>		<u>(106,043)</u>	<u>(114,839)</u>
	18,023		18,023	25,440
Magazine publication—sales	10,967		10,967	11,737
Cost of production and expenses	<u>(12,894)</u>		<u>(12,894)</u>	<u>(15,884)</u>
	(1,927)		(1,927)	(4,147)
Contributions and bequests	44,511	\$ 33,399	77,910	38,501
Other—including trading post sales	17,638		17,638	16,132
Cost of sales and expenses	<u>(2,998)</u>		<u>(2,998)</u>	<u>(3,154)</u>
	<u>14,640</u>	<u>0</u>	<u>14,640</u>	<u>12,978</u>
Total revenues before net investment income (loss).....	198,956	33,399	232,355	211,444
Investment (loss) income, net of fees	<u>(14,630)</u>	<u>(7,811)</u>	<u>(22,441)</u>	<u>75,664</u>
Total revenues	184,326	25,588	209,914	287,108
Net assets released from restrictions:				
Donor restrictions satisfied	<u>19,590</u>	<u>(19,590)</u>		
Expenses:				
Program services:				
Field operations	46,518		46,518	49,814
Human resources and training	13,078		13,078	11,849
Program development and delivery	79,742		79,742	109,463
Program marketing	9,589		9,589	12,060
World Scout Bureau fees	1,522		1,522	1,503
Insurance programs—losses and costs	120,279		120,279	71,827
Premiums	<u>(14,365)</u>		<u>(14,365)</u>	<u>(14,515)</u>
	<u>105,914</u>		<u>105,914</u>	<u>57,312</u>
Total program services	<u>256,363</u>		<u>256,363</u>	<u>242,001</u>
Supporting services:				
Management and general	44,953		44,953	34,125
Fundraising	<u>5,646</u>		<u>5,646</u>	<u>7,478</u>
Total supporting services	<u>50,599</u>		<u>50,599</u>	<u>41,603</u>
Total expenses	<u>306,962</u>	<u>0</u>	<u>306,962</u>	<u>283,604</u>
Change in net assets—controlling interest	(103,046)	5,998	(97,048)	3,504
Change in net assets—noncontrolling interest (Commingled Endowment LP).....	<u>22,805</u>	<u>0</u>	<u>22,805</u>	<u>70,012</u>
Change in net assets	(80,241)	5,998	(74,243)	73,516
Net assets, beginning of year	<u>764,963</u>	<u>225,198</u>	<u>990,161</u>	<u>916,645</u>
Net assets, end of year	<u>\$ 684,722</u>	<u>\$ 231,196</u>	<u>\$ 915,918</u>	<u>\$ 990,161</u>

UNAUDITED CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2018 (with summarized totals for 2017)

(In thousands)

Boy Scouts of America

	PROGRAM SERVICES							
	<u>Field Operations</u>		<u>Human Resources and Training</u>		<u>Program Development and Delivery</u>		<u>Program Marketing</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries	\$ 17,470	\$ 16,993	\$ 6,047	\$ 6,042	\$ 20,082	\$ 20,081	\$ 3,423	\$ 4,193
Benefits	5,741	5,597	1,735	1,686	5,489	5,506	931	1,157
Travel	2,063	2,305	390	292	791	862	193	283
Office expense and occupancy	8,135	8,680	1,443	912	10,689	10,203	1,440	2,243
Depreciation and amortization	2,404	3,266	295	356	4,017	3,520	82	140
Insurance losses and costs								
Premiums								
Net insurance programs								
Jamboree (world/national)					0	33,221		
All other expenses	10,662	13,014	3,086	2,839	36,018	35,021	3,397	4,277
Allocated expenses ¹	<u>43</u>	<u>(41)</u>	<u>82</u>	<u>(278)</u>	<u>2,656</u>	<u>1,049</u>	<u>123</u>	<u>(233)</u>
Total expenses	<u>\$ 46,518</u>	<u>\$ 49,814</u>	<u>\$ 13,078</u>	<u>\$ 11,849</u>	<u>\$ 79,742</u>	<u>\$ 109,463</u>	<u>\$ 9,589</u>	<u>\$ 12,060</u>

	PROGRAM SERVICES					
	<u>World Scout Bureau Fees</u>		<u>Insurance Programs</u>		<u>Total Program Services</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries					\$ 47,022	\$ 47,309
Benefits					13,896	13,946
Travel					3,437	3,742
Office expense and occupancy					21,707	22,038
Depreciation and amortization					6,798	7,282
Insurance losses and costs			\$ 120,279	\$ 71,827	120,279	71,827
Premiums			<u>(14,365)</u>	<u>(14,515)</u>	<u>(14,365)</u>	<u>(14,515)</u>
Net insurance programs			105,914	57,312	105,914	57,312
Jamboree (world/national)					0	33,221
All other expenses	\$ 1,522	\$ 1,503			54,685	56,654
Allocated expenses ¹					<u>2,904</u>	<u>497</u>
Total expenses	<u>\$ 1,522</u>	<u>\$ 1,503</u>	<u>\$ 105,914</u>	<u>\$ 57,312</u>	<u>\$ 256,363</u>	<u>\$ 242,001</u>

	SUPPORTING SERVICES							
	<u>Management and General</u>		<u>Fundraising</u>		<u>Total Supporting Services</u>		<u>Total Expenses</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Salaries	\$ 16,958	\$ 16,488	\$ 2,534	\$ 2,707	\$ 19,492	\$ 19,195	\$ 66,514	\$ 66,504
Benefits	4,339	4,260	723	699	5,062	4,959	18,958	18,905
Travel	849	1,039	291	621	1,140	1,660	4,577	5,402
Office expense and occupancy	115	540	549	403	664	943	22,371	22,981
Depreciation and amortization	13,075	12,677	20	7	13,095	12,684	19,893	19,966
Insurance losses and costs							120,279	71,827
Premiums							<u>(14,365)</u>	<u>(14,515)</u>
Net insurance programs							105,914	57,312
Jamboree (world/national)							0	33,221
All other expenses	12,168	3,304	1,397	3,053	13,565	6,357	68,250	63,011
Allocated expenses ¹	<u>(2,551)</u>	<u>(4,183)</u>	<u>132</u>	<u>(12)</u>	<u>(2,419)</u>	<u>(4,195)</u>	<u>485</u>	<u>(3,698)</u>
Total expenses	<u>\$ 44,953</u>	<u>\$ 34,125</u>	<u>\$ 5,646</u>	<u>\$ 7,478</u>	<u>\$ 50,599</u>	<u>\$ 41,603</u>	<u>\$ 306,962</u>	<u>\$ 283,604</u>

¹ Certain expenses have been allocated to Supply operations, Magazine publications, and Program services.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2018 (with summarized totals for 2017)

(In thousands)

Boy Scouts of America

	<u>2018</u>	<u>2017</u>
Cash Flows from Operations:		
Change in net assets	\$ (74,243)	\$ 73,516
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operations:		
Depreciation and amortization	21,544	21,634
Net realized and unrealized losses (gains) on investments	40,397	(95,809)
Interest and dividends reinvested	(1,038)	(977)
Contributions to the permanently restricted endowment	(162)	(176)
Contributions restricted for capital expenditures and debt service	(19,026)	(15,093)
Net losses on disposal of land, buildings, and equipment	861	2,072
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(2,827)	4,710
(Increase) decrease in pledges receivable	(28,215)	2,178
Decrease (increase) in other receivables	1,338	(1,417)
Decrease in inventories	100	6,206
(Increase) decrease in prepaid charges/other assets/gift annuities	(8,531)	4,662
Increase in accounts payable/accrued liabilities/gift annuities	3,889	4,240
Increase (decrease) in unearned fees and subscriptions	48,067	(10,968)
Increase in insurance reserves	<u>43,365</u>	<u>11,190</u>
Net cash and cash equivalents provided by operations	<u>25,519</u>	<u>5,968</u>
Cash Flows from Investing:		
Additions to land, buildings, and equipment	(26,723)	(32,052)
Net sales of investments	39,872	15,256
(Decrease) in securities lending payable	<u>(5,084)</u>	<u>(2,697)</u>
Net cash and cash equivalents provided (used) in investing activities	<u>8,065</u>	<u>(19,493)</u>
Cash Flows from Financing:		
Net borrowings (payments) on line of credit financing	20,856	(29,000)
Borrowings on term loan	0	25,000
Repayment of debt	(10,754)	(8,083)
Contributions to the permanently restricted endowment	162	176
Contributions restricted for capital expenditures and debt service	<u>19,026</u>	<u>15,093</u>
Net cash and cash equivalents provided by financing activities	<u>29,290</u>	<u>3,186</u>
Increase (decrease) in cash and cash equivalents	62,874	(10,339)
Cash and cash equivalents, beginning of year	<u>45,194</u>	<u>55,533</u>
Cash and cash equivalents, end of year	<u>\$ 108,068</u>	<u>\$ 45,194</u>
Supplemental Cash Flow Information:		
Interest paid	\$ 6,982	\$ 7,211
Gifts-in-kind	3,143	2,695