

Debtor Names: Boy Scouts of America and Delaware BSA, LLC

Case number: 20-10343 (LSS)

**Fill in this information to identify the case:****Debtor Name:** Boy Scouts of America and Delaware BSA, LLC <sup>(1)</sup>**United States Bankruptcy Court for the District of Delaware****Case number:** 20-10343 (LSS)

## Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

12/17

This is the *Periodic Report* as of April 8, 2020 on the value, operations, and profitability of those entities in which the Boy Scouts of America (the "BSA") and Delaware BSA, LLC (together, the "Debtors") each hold, or both Debtors together hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by rule 2015.3 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). For purposes of this form, "Debtor" shall include the estate of such Debtor.

The Debtors hold a substantial or controlling interest in the following Controlled Non-Debtor Entities:

ID	Name of Controlled Non-Debtor Entity	Interest of the Debtors
3220	BSA Asset Management, LLC	100%
4514	BSA Commingled Endowment Fund, LP <sup>(2)</sup>	26.07%
3510	NewWorld19, LLC	100%
2520	Texas BSA, LLC	100%

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Boy Scouts of America (6300) and Delaware BSA, LLC (4311).

<sup>2</sup> The BSA's percentage interest in the BSA Commingled Endowment Fund, LP fluctuates daily based on contributions and withdrawals. The current interest percentage listed is as of January 31, 2020.

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This *Periodic Report* contains reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

*Exhibit A* contains the most recently available balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

*Exhibit B* describes the Controlled Non-Debtor Entity's business operations.

*Exhibit C* describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

*Exhibit D* describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

*Exhibit E* describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses, or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

#### **Disclaimer**

The accompanying financial information of the Controlled Non-Debtor Entities has been prepared solely for the purpose of complying with the periodic reporting requirements of the Bankruptcy Rules. The Periodic Report is limited in scope, covers a limited time period and the financial information contained herein was not audited or reviewed by independent accountants nor are they intended to reconcile to any financial statements otherwise prepared or distributed by the Debtors or any of the Controlled Non-Debtor Entities. Furthermore, because the Debtors' accounting systems, policies, and practices were developed with a view to producing consolidated financial reporting, rather than by legal entity, it is possible that not all the results of operations and/or the assets or liabilities have been recorded at the correct legal entity of either the Debtors or a Controlled Non-Debtor Entity.

The information presented herein is subject to further review and potential adjustments, and has not been subject to all procedures that would typically be applied to financial information presented in accordance with Generally Accepted Accounting Principles in the United States of America ("US GAAP"), including, but not limited to, accruals, tax provision, and other recurring adjustments considered necessary by management to fairly state the financial position and results of operations for the period presented. Furthermore, there can be no assurance that, from the perspective of an investor or potential investor, the Entity Reports are complete. As part of their restructuring efforts, the Debtors are reviewing their assets and liabilities on an ongoing basis, including without limitation with respect to intercompany claims and obligations. Although management has made reasonable efforts to ensure that the financial information included herein is accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to the information, and inadvertent errors or omissions may exist. Nothing contained in this filing shall constitute a waiver of any rights of the Debtors, including the Debtors' right to amend the information contained herein.

#### **Reservation of Rights**

Nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases including, but not limited to, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or recharacterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of title 11 of the United States Code (the "Bankruptcy Code") and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable

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laws to recover assets or avoid transfers.

**Basis of Presentation**

The financial statements and information contained herein have been derived from the books and records of the Debtors and Controlled Non-Debtor Entities and is presented on the same basis for each entity. The accompanying financial information does not include footnotes and certain financial presentations normally required by U.S. GAAP.

Unless otherwise indicated, the basis for all current values included in this Periodic Report was the net book value from relevant corporate books and records as of December 31, 2019, as indicated herein. The net book value may not reflect the current value of the respective assets. In particular, for amounts receivable by Controlled Non-Debtor Entities from entities who are Debtors in these proceedings, no consideration has been made as to whether the chapter 11 proceedings will result in the amount ultimately received being less than the amount stated in the financial information.

Given, among other things, the uncertainty surrounding the collection and ownership of certain assets and the allocation and nature of certain liabilities, to the extent that a Controlled Non-Debtor Entity shows more assets than liabilities, this is not an admission that the Controlled Non-Debtor Entity was solvent as of the commencement of the Debtors' chapter 11 cases (the "Petition Date") or at any time prior to the Petition Date, including the date as of or for the period of any financial statements or other financial information included in this Periodic Report. Likewise, to the extent that a Controlled Non-Debtor Entity shows more liabilities than assets, this is not an admission that the entity was insolvent at the Petition Date or at any time prior to the Petition Date, including the date as of or for the period of any financial statements or other financial information included in this Periodic Report.

For the reasons discussed above, the Debtors caution readers not to place undue reliance upon the information contained in this Periodic Report.

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**This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.**

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtors did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3.

For non-individual Debtors:

**X** /s/ Michael Ashline  
Signature of Authorized Individual  
**Michael Ashline**  
Printed name of Authorized Individual  
Date: 4/8/2020

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**Exhibit A: Financial Statements**

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**Exhibit A-1: Balance Sheet**

## Balance Sheet

As of December 31, 2019

(\$ in thousands of US Dollars)

	3220	4514	3510	2520
	BSA Asset Management, LLC	BSA Commingled Endowment Fund, LP	NewWorld19, LLC	Texas BSA, LLC
<b>Assets</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 3,249	\$ 10
Investments, (at Fair Value)	-	321,148	-	-
Accounts Receivable, Net	-	-	3	-
Prepaid and Deferred Charges	48	-	106	-
Intercompany Receivable	168	-	-	-
Inventories	-	-	18	-
Other	-	-	-	-
<b>Total Assets</b>	<b>\$ 216</b>	<b>\$ 321,148</b>	<b>\$ 3,376</b>	<b>\$ 10</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities	\$ 1	\$ -	\$ 6,303	\$ -
Other	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 6,303</b>	<b>\$ -</b>

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**Exhibit A-2: Statement of Income (Loss)**

Statement of Income (Loss)  
As of December 31, 2019  
(\$ in thousands of US Dollars)

	3220	4514	3510	2520
	BSA Asset Management, LLC	BSA Commingled Endowment Fund, LP	New World 19, LLC	Texas BSA, LLC
<b>Revenues</b>				
Event Fees	\$ -	\$ -	\$ 47,460	\$ -
Contributions	-	16,419	-	-
Investment Related Revenue	-	85,541	-	-
Other Revenues	999	-	2,690	-
<b>Total Revenues</b>	<b>\$ 999</b>	<b>\$ 101,960</b>	<b>\$ 50,150</b>	<b>\$ -</b>
<b>Expenses</b>				
Salary	\$ 560	\$ -	\$ 396	\$ -
Benefits	125	-	-	-
Other Benefits	12	-	-	-
Outsourcing / External Services	65	-	1,884	-
Travel	28	-	233	-
Operating	6	-	17,859	-
Information Technology	-	-	362	-
Office Expense	1	-	220	-
Insurance	97	-	442	-
Facilities and Equipment	-	-	4,785	-
World Bureau Fees	-	-	190	-
Legal Fees	4	-	-	-
Interest & Line of Credit Fees	-	-	2	-
Other Expenses	1	-	16,586	-
Internal Allocations	23	-	12,146	-
Distributions	-	365,558	-	-
<b>Total Expenses</b>	<b>\$ 922</b>	<b>\$ 365,558</b>	<b>\$ 55,105</b>	<b>\$ -</b>
<b>Net Income</b>	<b>\$ 77</b>	<b>\$ (263,598)</b>	<b>\$ (4,955)</b>	<b>\$ -</b>

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**Exhibit A-3: Statement of Cash Flows**

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The Debtors have not historically produced cash flow statements for any of the Controlled Non-Debtor Entities. It would be prohibitively expensive, unduly burdensome, and an inefficient use of estate resources for the Debtors to produce such statements for the Controlled Non-Debtor Entities. Additionally, system and resource constraints preclude the Debtors from preparing these statements at the Controlled Non-Debtor Entity level. Therefore, these statements have been excluded from this filing.



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**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit)**

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Statements of changes in shareholders' or partners' equity are not applicable as the Debtors and all Controlled Non-Debtor Entities are non-profit, tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

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**Exhibit B: Description of Operations****Description of Operations for Non-Debtors**

<b>ID</b>	<b>Name of Controlled Non-Debtor Entity</b>	<b>Description of Operations</b>
3220	BSA Asset Management, LLC	General Partnerships / Investments
4514	BSA Commingled Endowment Fund, LP	Endowment Investments
3510	NewWorld19, LLC	Support World Jamboree Activities
2520	Texas BSA, LLC	None

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**Exhibit C: Description of Intercompany Claims**

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Not applicable. The Controlled Non-Debtor Entities do not have any claims against any other Controlled Non-Debtor Entities.

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**Exhibit D: Allocation of Tax Liabilities and Assets**

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Not applicable. There is no allocation of taxes between or among the Controlled Non-Debtor Entities and either of the Debtors. There are no tax sharing or tax allocation agreements between any of the Controlled Non-Debtor Entities.

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**Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor**

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There are no known payments made, or obligations incurred (or claims purchased) by any Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against the Debtors.