



Three Fires Council : BSA Bankruptcy & CFL

- **Tonight's agenda**
 - Background on BSA Bankruptcy
 - Local Council Funding, Financial snapshot
 - Operating, Capital, Endowment
 - Restricted vs. Unrestricted Assets
 - Options considered
 - Why CFL
 - Future of TFC Summer programming
 - Q & A
 - Enter your question in the chat
 - Moderator will read aloud for the panel

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Background on BSA Bankruptcy

- **Feb 2020-**
 - compensate victims of past abuse
 - Ensure ability to continue the mission of Scouting
- **Nov. 16 2020 Bar date**
- **Currently in mediation**
- **TFC part of the Ad Hoc Committee of Local Councils**
 - Voluntary participation in victims trust.

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Three Fires Council Finances

- **All Boy Scout Councils adhere to GAAP three fund Accounting**
 - Operating, Capital and Endowment
 - Assets and Liabilities are recorded in one of these three funds to ensure funds are used for proper purposes
- **Restricted vs. Unrestricted**
 - A gift can only be restricted by the donor
 - Restrictions are for time-and-or purpose and can be Permanently or Temporarily Restricted
 - Permanently- Endowment gift- Principal can never be spent- Interest only can be used
 - Temporarily- dedicated for a specific purpose- to buy a canoe, build a cabin etc...
 - ***FOS and Program Fees are temporarily restricted until used for local operations***

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Three Fires Council Assets

- **Operating**

- Assets- cash, inventory, pledges, AR, prepaid expenses
- Liabilities- Custodial accounts, AP, prepaid camping and activity fees, SBA-loan

- **Capital-**

- Assets- cash, pledges, equipment, improvements, properties: Office, CBT, CFL
- Liabilities- Loans, AP

- **Endowment**

- Assets; pledges, cash, Long & Short-term investments, interfund loans
- \$3.7 Million Perm. Restricted
- \$1.2 Million unrestricted*
 - *(\$650K used as working cash)- No Line of Credit

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Trust Contribution

- **Final \$ amount subject to mediation any projected number is product of attorney client work and is restricted to parties who have signed a NDA**
- **BSA will essentially contribute all unrestricted assets (\$300MM)**
- **TFC contributions will exceed all our cash assets by several multiples**
- **Local Council contribution based on a series of factors**
 - Each local Council's situation is unique
 - Ad hoc Cmte and BSA national using different formulas and data points
 - TFC projected contribution far exceeds all available cash

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Trust Contribution cont'd

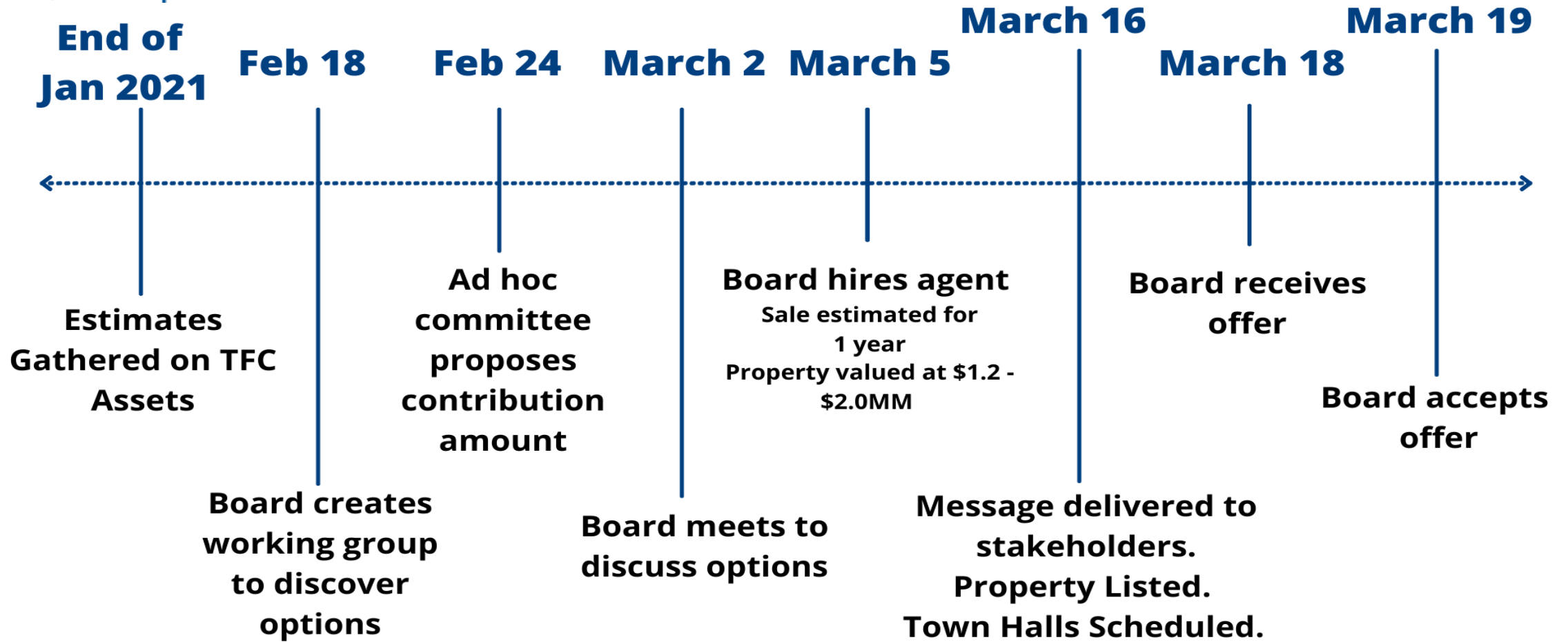
- TFC told to prepare to make contribution to trust as early as third quarter of 2021
- The cost of defending/settling a single case of abuse could result in a multi-million judgement
- Office & CBT not available due to restrictions and mortgage
- Sale of a property like CFL could take up to a year
- Property value ranges from \$1.2- \$2.0 MM.
- An offer has been made and accepted by the Board
 - TFC will lease back property for 2021 summer season

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Timeline



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What Happens if BSA does not reach a settlement?

- **BSA liquidation likeliest alternative**
- **BSA loses control of Intellectual Property**
- **Termination of BSA services**
- **Revocation of local council charters**
- **Pension termination and PBGA claims against local councils (\$1.2 Billion)**
- **Resumption of abuse litigation against local councils**
- **Adverse publicity in liquidation**
- **Potential for local council bankruptcies**

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What Happens if the BSA reaches a settlement?

- **Final resolution of past abuse claims**
 - Channeling injunction
 - Establishment of a trust to help victims of past abuse
- **Fresh start for BSA**
 - Renewed volunteer, member and donor engagement and morale
- **Removal of legal distractions**
 - Ability to focus on Scouting mission

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Summer 2021

- Scouts BSA Summer camp
- Webelos resident camp
- CFL Staff Alumni event(s)
- Other activities to be determined

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Summer 2022

- Expanded Summer and year-round and Family programming at CBT
- Expanded Summer and year-round merit badge and S.T.E.A.M. programming at CBT
- Partnerships with other Councils for Scouts BSA Summer camps

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