



TO: Pathway to Adventure Council Community

FROM: Stephen W. Schwab, Council President
Susan J. Simmons, Council Commissioner
Jeffery L. Isaac, Scout Executive

DATE: December 14, 2018

RE: Update regarding National BSA financial future

Pathway to Adventure Council Community,

We write to update you on the developing situation involving National BSA.

Following below is additional information and FAQs and responses from National. As you read this, please keep the following in mind: National is working hard to determine what is the right thing to do under challenging circumstances. If they determine to restructure under the federal bankruptcy law, it should not affect what we are doing here in Pathway, for reasons explained in the FAQ. The American bankruptcy system is built on the principle of second chance. This means that bankruptcy courts work with all interested persons to develop a plan that provides just compensation while ensuring that the debtor emerges to continue its good work. This means that Scouting can and will continue to deliver on the promise that underlies our ideals – teaching our youth to become participating citizens and leaders of good character who will make ethical choices. This is how we change lives and impact communities.

We are not jumping to conclusions, and no one should. This council is now debt-free and poised to grow. We thank you for everything you have done for Scouting and will continue to do for our youth and communities with and through Pathway.

Thank you,

Stephen W. Schwab
Council President
Pathway to Adventure Council

Susan J. Simmons
Council Commissioner
Pathway to Adventure Council

Jeffery L. Isaac
Scout Executive
Pathway to Adventure Council

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Messages to Use When Responding to Questions Regarding BSA Financial Future

As of 12/14/2018

Setting Up the Success of Scouting in the Future

We have an important duty, and an incredible opportunity, to focus as an organization on keeping children safe, supported and protected, while preparing youth for their futures through our nation's foremost program of character development and values-based leadership training.

To safeguard our ability to continue preparing youth for their futures through the Scouting program, we are working with experts to explore all available options that ensure that the local and national programming of the Boy Scouts of America continues uninterrupted.

Our motto is 'Be Prepared,' and we are doing just that. We are working with internal and external experts to explore all options available and will share information when we are able to do so.

All potential paths under consideration will ensure that the BSA has a long and bright future and that all local and national programming will continue uninterrupted.

As an organization, our focus must be to:

- 1) Build upon the momentum we have already experienced this year with new members,
- 2) Plan and implement a successful launch of Scouts BSA to welcome boys and girls into the program in February, and
- 3) Support our fundraising efforts to ensure our continued ability to deliver Scouting to our communities

Council Impact

Our Council is an independent not-for-profit organization that is incorporated locally. We own and control our camps, council service centers, bank funds and investments.

The nature of the relationship between our council and the national BSA organization is that we are the holder of a charter to conduct the Boy Scouts of America programs in our defined area.

Our Council receives no funding from the national organization; in fact, we pay fees to national BSA as a part of our charter agreement and for specific services. Councils receive value back from the national organization, but we operate as a financially independent not-for-profit organization.

Friends of Scouting (FOS) and other financial contributions to our Council stay in our Council. Contributions to our Council go to support delivery of our own Council's program and services to our own Scouts.

We partner with the national organization for shared services, including several insurance programs, services for IT, and expertise related to camping, youth protection and so on. Importantly, employee benefits, such as healthcare and retirement, are funded by each council but through programs offered by national BSA.

It is important to understand that the structure of BSA Asset Management, LLC (BSAAM) was specifically designed to ensure that council investments remain ours. They are ours regardless of what happens to the national organization. The same is true for our other council assets.

Future of the Boy Scouts of America

We have an important duty, and an incredible opportunity, to continue to focus as an organization on preparing youth for their futures through our nation's foremost program of character development and values-based leadership training.

As an organization, our focus must be to:

- 1) Build upon the momentum we have already experienced this year with new members,
- 2) Plan and implement a successful launch of Scouts BSA to welcome boys and girls into the program in February, and
- 3) Support our fundraising efforts to ensure our continued ability to deliver Scouting to our communities

About BSA's Commitment to Youth Protection

Nothing is more important than the safety and protection of children in our Scouting programs— It is our top priority.

Many years ago, we adopted some of the strongest barriers to child abuse found in any youth-serving organization, and we take the responsibility to uphold those barriers seriously. From completing our youth protection training, to adhering to policy and reporting the suspicion of abuse, we all are vital in helping keep kids safe.

We care deeply about all victims of child sex abuse and we are steadfast in our belief that one incident of child abuse is one too many. We are committed to helping abuse victims heal. We sincerely apologize to anyone who was harmed during their time in our programs. We have always taken care of victims – we believe them, we believe in fairly compensating them, and we have paid for unlimited counseling for abuse victims and their families.

At no time in our history have we knowingly allowed a sexual predator to work with youth, and we always seek to act swiftly when alerted to abuse allegations, which is why we mandate prompt reporting of any suspicion of abuse to authorities.

FAQ

Q: Has the BSA declared bankruptcy?

No. We are working with internal and external experts to explore all options available. All potential paths under consideration will ensure that the BSA has a long and bright future and that all local and national programming will continue uninterrupted.

Q: What would happen if the BSA does decide to file for bankruptcy?

I want to reemphasize that no decision has been made. If we do decide to pursue a restructuring, you can be sure that our life-changing Scouting program will go forth uninterrupted.

Q: How will this impact our Scouts and leaders?

Our Scouts and leaders will not be impacted. Every possibility being explored will ensure that the local and national programming of the Boy Scouts of America continues uninterrupted.

Q: What does this mean for our council assets?

Councils are independent non-profit organizations. We own and control our camps, council service centers, bank funds and investments.

Q: What should we be doing now?

Our job today is exactly the same as it was yesterday. We have an important duty, and an incredible opportunity, to focus as an organization on keeping children safe, supported and protected, and

preparing youth for their futures through our nation's foremost program of character development and values-based leadership training.

As an organization, our focus must be to:

- 1) Build upon the momentum we have already experienced this year with new members,
- 2) Plan and implement a successful launch of Scouts BSA to welcome boys and girls into the program in February, and
- 3) Support our fundraising efforts to ensure our continued ability to deliver Scouting to our communities

Keep the momentum going and stay focused on what really matters: delivering the Scouting program to youth in our communities.

Q: What does this mean for Friends of Scouting contributions?

Friends of Scouting (FOS) and other financial contributions to our Council stay in our Council. Contributions to our Council go to support delivery of our own Council's program and services to our own Scouts.

Our Council is an independent not-for-profit organization that is incorporated locally. We own and control our camps, council service centers, bank funds and investments.

The nature of the relationship between councils and the national BSA organization is that we are the holder of a charter to conduct the Boy Scouts of America programs in our defined territory. Our Council receives no funding from the national organization; in fact, we pay fees to national BSA as a part of our charter agreement and for specific services. Councils receive value back from the national organization, but we operate as a financially independent not-for-profit organization.

Q: What is the BSA doing to protect Scouts from abuse?

Nothing is more important than the safety and protection of children in our Scouting programs— It is our top priority. Many years ago, we adopted some of the strongest barriers to child abuse found in any youth-serving organization, and we take the responsibility to uphold those barriers seriously. From completing our youth protection training, to adhering to policy and reporting the suspicion of abuse, we all are vital in helping keep kids safe.

The BSA is also committed to helping abuse victims heal. We have always taken care of victims – we believe them, we believe in fairly compensating them, and we have paid for unlimited counseling for abuse victims and their families by a provider of their choice, regardless of the amount of time that has passed since an instance of abuse. We require no proof; a victim need only make a request.

Q: What is the future of our national high adventure bases?

Properties are where the program is delivered. The BSA considers its national high adventure bases to be of paramount importance and a pivotal part of Scouting's future.

Q: Is the BSA still paying its commitments to vendors?

While we are considering all options, we have always upheld our payment and contractual obligations. We are the same organization today as we were yesterday, and we will be the same organization tomorrow. All of our operations are continuing uninterrupted.

Q: What is the future of the BSA?

All of the options under consideration ensure that the BSA has a long and bright future and that all local and national programming will continue uninterrupted.