

**BOYS AND GIRLS CLUB
OF OYSTER BAY-EAST NORWICH**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Boys and Girls Club of Oyster Bay-East Norwich

Report on the Financial Statements

We have audited the accompanying financial statements of The Boys and Girls Club of Oyster Bay-East Norwich (a nonprofit organization), which comprise the statements of financial condition as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Boys and Girls Club of Oyster Bay-East Norwich as of December 31, 2019 and 2018, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Port Washington, New York 11050
June 16, 2020

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash in bank	\$ 773,135	\$ 601,330
Accounts receivable	10,448	6,435
Marketable Securities (Note 2)	2,435,508	1,955,038
Corporate Bonds (Note 2)	202,158	416,105
US Treasury Obligations (Note 2)	343,866	168,377
Prepaid expenses	15,239	9,721
Accrued Interest (Notes 1,2)	4,263	4,950
Property Plant & Equipment (Note 3)	<u>2,917,318</u>	<u>3,030,824</u>
TOTAL ASSETS	\$ <u>6,701,935</u>	\$ <u>6,192,780</u>
LIABILITIES		
Accrued Expenses	\$ <u>41,322</u>	\$ <u>20,440</u>
NET ASSETS		
Without donor restrictions	3,377,754	3,422,274
With donor restrictions (Note 4)	<u>3,282,859</u>	<u>2,750,066</u>
	<u>6,660,613</u>	<u>6,172,340</u>
TOTAL LIABILITIES & NET ASSETS	\$ <u>6,701,935</u>	\$ <u>6,192,780</u>

See accompanying notes and auditors' report.

**BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
SUPPORT AND REVENUES:				
Public Support				
Contributions	\$ 403,399	\$ -	\$ 403,399	\$ 287,488
Other Revenue				
Program Service Fees	582,584	-	582,584	483,667
Government Grants	30,305	-	30,305	21,917
Special Fundraising Events	366,697	-	366,697	373,109
Investment Income (Loss)	27,252	532,325	559,577	(121,272)
Miscellaneous Income	<u>14,150</u>	<u>469</u>	<u>14,619</u>	<u>7,772</u>
Total Support and Revenue	<u>1,424,387</u>	<u>532,794</u>	<u>1,957,181</u>	<u>1,052,681</u>
EXPENSES: (Page 4)				
Program Services	1,188,973	-	1,188,973	1,139,095
General & Administrative	78,282	-	78,282	70,953
Fundraising	<u>201,650</u>	<u>-</u>	<u>201,650</u>	<u>198,124</u>
TOTAL EXPENSES	<u>1,468,905</u>	<u>-</u>	<u>1,468,905</u>	<u>1,408,172</u>
TOTAL CHANGE IN NET ASSETS	(44,518)	532,794	488,276	(355,491)
NET ASSETS, BEGINNING OF YEAR	<u>3,422,272</u>	<u>2,750,065</u>	<u>6,172,337</u>	<u>6,527,831</u>
NET ASSETS, END OF YEAR	\$ <u>3,377,754</u>	\$ <u>3,282,859</u>	\$ <u>6,660,613</u>	\$ <u>6,172,340</u>

See accompanying notes and auditors' report.

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>General &</u> <u>Administrative</u>	<u>Services</u> <u>Fundraising</u>	<u>2019 Total</u>	<u>2018 Total</u>
Salaries	\$ 570,585	\$ 29,002	\$ 56,088	\$ 655,675	\$ 635,256
Payroll Taxes	45,455	2,308	4,466	52,229	51,029
Employee Benefits	<u>68,545</u>	<u>3,482</u>	<u>6,734</u>	<u>78,761</u>	<u>71,587</u>
	684,585	34,792	67,288	786,665	757,872
Building maintenance & supplies	62,151	1,636	1,636	65,423	51,170
Light, heat and power	52,189	1,373	1,373	54,935	43,434
Insurance	34,965	920	920	36,805	40,718
Scholarships	131,645	-	-	131,645	116,168
Transportation, trips, special events	49,850	-	-	49,850	62,016
Printing & postage	1,535	1,691	16,375	19,601	18,791
Supplies	8,661	5,272	-	13,933	18,910
Telephone and internet	4,106	513	513	5,132	5,806
Equipment maintenance	12,361	1,545	1,545	15,451	14,199
Professional fees	-	10,000	19,917	29,917	28,461
Data processing	-	2,481	-	2,481	2,116
Dues and publications	9,306	-	-	9,306	9,311
Employee background checks	-	12,339	-	12,339	6,372
Bank and credit card charges	12,169	268	3,423	15,860	13,201
Miscellaneous	5,367	1,303	195	6,865	7,463
Fundraising event expenses	<u>-</u>	<u>-</u>	<u>84,316</u>	<u>84,316</u>	<u>83,231</u>
TOTAL EXPENSES BEFORE DEPRECIATION	1,068,890	74,133	197,501	1,340,524	1,279,239
Depreciation	<u>120,083</u>	<u>4,149</u>	<u>4,149</u>	<u>128,381</u>	<u>128,933</u>
TOTAL EXPENSES	\$ <u>1,188,973</u>	\$ <u>78,282</u>	\$ <u>201,650</u>	\$ <u>1,468,905</u>	\$ <u>1,408,172</u>

See accompanying notes and auditors' report.

**THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
	\$ 488,276	\$ (355,491)
Increase (Decrease) in Net Assets		
Adjustments to Reconcile Increase (Decrease) in Net Assets to Cash Provided by (Used in) Operating Activities:		
Depreciation	128,381	128,933
(Unrealized gains) losses on investments	(436,744)	208,272
(Capital gains) losses on sale of investments	(46,768)	(838)
Donated securities included in support	(3,988)	(4,451)
(Increase) decrease in accounts receivable	(4,013)	8,006
(Increase) decrease in prepaid expenses	(5,518)	653
(Increase) decrease in accrued interest receivable	687	417
Increase (decrease) in accrued expenses	<u>20,879</u>	<u>(3,249)</u>
Net Cash Provided by (Used in) Operating Activities	<u>141,192</u>	<u>(17,748)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of marketable securities	380,081	427,975
Proceeds from redemption of corporate bond	268,960	50,000
Proceeds from redemption of US Treasury Obligations	48,763	-
Purchases of marketable securities	(379,878)	(315,432)
Purchases of Treasury obligations	(221,226)	(158,820)
Purchases of corporate bonds	(51,212)	-
Acquisition of property, plant and equipment	<u>(14,875)</u>	<u>(29,130)</u>
Net Cash Provided by (Used in) Investing Activities	30,613	(25,407)
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-0-</u>	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH	171,805	(43,155)
CASH, BEGINNING OF YEAR	<u>601,330</u>	<u>644,485</u>
CASH, END OF YEAR	\$ <u>773,135</u>	\$ <u>601,330</u>
See accompanying notes and auditors' report.		

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

The Boys and Girls Club of Oyster Bay-East Norwich, an affiliate of the Boys and Girls Club of America since 1990, is a community organization providing recreational, cultural and educational activities for boys and girls, ages three to eighteen, residing within the boundaries of the Oyster Bay-East Norwich Central School District.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

Net Assets without donor restrictions:

Net assets that are not subject to any donor-imposed restrictions, including the carrying value of all fixed assets, are classified as net assets without donor restrictions. Items that increase or decrease this net asset category include unrestricted contributions and gifts, and related expenses associated with the operations of the Organization. Changes also result from the receipt of other revenue, including program service fees, government grants, special fundraising events and any unrestricted investment income or loss.

Net assets with donor restrictions:

Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or by the passage of time are classified as net assets with donor restrictions. Items that affect this net asset category are gifts for which restrictions have not been met and investment income restricted by the terms of the Organization's endowment fund. Net assets which, subject to donor-imposed restrictions, must be maintained permanently by the Organization are also classified as net assets with donor restrictions.

See auditors' report.

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recorded on the accrual basis. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor and are classified in these financial statements as net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When such a restriction expires in a year other than the year in which the contribution is recognized, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “net assets released from restriction.”

Functional expenses

The cost of providing the Organization’s programs and supporting services have been reported on a functional basis. Direct program costs have been recorded as such; certain other costs have been allocated between program costs and supporting services costs based on estimates made by management.

Federal income taxes

The Organization qualifies as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is required in these financial statements.

NOTE 2 – MARKETABLE SECURITIES & INVESTMENTS IN US TREASURY OBLIGATIONS

Marketable securities, corporate bonds and all investments in both short- and long-term US Treasury obligations are reported at their fair market values in the statement of financial position. Unrealized gains and losses in these investments are included in the statement of activities. Fair market values and unrealized appreciation at December 31, 2019 are summarized for all investments as follows:

See auditors’ report

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

**NOTE 2 – MARKETABLE SECURITIES & INVESTMENTS IN US TREASURY OBLIGATIONS
(CONTINUED)**

	<u>Cost or Donated Value</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Marketable Securities Restricted by the Endowment Fund	\$ <u>1,530,572</u>	\$ <u>2,435,508</u>	\$ <u>904,936</u>
Corporate Bonds Restricted by the Endowment Fund	\$ <u>201,326</u>	\$ <u>202,158</u>	\$ <u>832</u>
US Treasury Obligations Restricted by The Endowment Fund	\$ <u>338,332</u>	\$ <u>343,866</u>	\$ <u>5,534</u>

NOTE 3 – PROPERTY, PLAN AND EQUIPMENT AND RELATED DEPRECIATION

Property, plant and equipment are recorded at cost, or for donated assets, at estimated fair value. Where assets are donated, the related donation is reported as unrestricted support unless the donor has restricted the donated asset as to a specific purpose. Depreciation of all assets is computed on a straight-line basis over the estimated useful lives of each asset as follows:

Building	40 years
Computer and telephone equipment	5 years
Transportation equipment	5 years
Furniture and other equipment	7 years

The carrying value of property, plant and equipment is as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 910,697	\$ 910,697
Building and improvements	4,189,767	4,189,767
Computer and telephone equipment	181,418	181,418
Transportation equipment	100,432	100,432
Furniture and other equipment	<u>389,536</u>	<u>374,661</u>
	5,771,850	5,756,975
Less accumulated depreciation	<u>2,854,532</u>	<u>2,726,151</u>
	\$ <u>2,917,318</u>	\$ <u>3,030,824</u>

See auditors' report.

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION (CONTINUED)

Depreciation expense for the years ended December 31, 2019 and 2018 was \$ 128,381 and \$ 128,933 respectively.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2019 and 2018 consist entirely of assets of an endowment fund. This fund represents gifts which have been invested in various marketable securities, corporate bonds, and US Treasury obligations. The donors of this endowment have stipulated that the corpus of the fund (which includes any investment income) may be expended annually by the Organization at a rate not to exceed 4 1/2% of the three year moving average of the value of the fund, calculated quarterly.

NOTE 5 - CONTRIBUTED SERVICES

During the years ended December 31, 2019 and 2018, the Organization received significant amounts of donated services from unpaid volunteers, including board members. No amounts have been recognized in the statement of activities in these financial statements because the criteria for recognition under SFAS 116 have not been satisfied.

NOTE 6 - CASH FLOW INFORMATION

For purposes of the statement of cash flows, the Organization considers cash to be cash in checking and money market accounts, and certificates of deposit.

Supplemental data

Interest paid	\$ -0-
Income taxes paid	\$ -0-

NOTE 7 - PENSION PLAN

The Boys and Girls Club of Oyster Bay-East Norwich offers its employees the opportunity to participate in a non-contributory 403(B) retirement plan designed to provide benefits for full-time employees who meet certain age and service requirements. Under the terms of the plan, the Organization contributes to employee accounts an amount equal to seven percent of the salary of each eligible employee. Pension plan expenses for the years ended December 31, 2019 and 2018 were \$ 31,572 and \$ 30,116 respectively.

See auditors' report.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Boys and Girls Club of Oyster Bay-East Norwich

We have audited the financial statements of the Boys and Girls Club of Oyster Bay-East Norwich as of and for the years ended December 31, 2019 and 2018 and issued our report thereon dated June 16, 2020 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Statement of Public Support and Revenues on the following page is presented for the purposes of additional analysis of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kenneth K. Dillenbeck CPA, PC
Port Washington, NY 11050
June 16, 2020

**THE BOYS AND GIRLS CLUB OF OYSTER BAY EACH NORWICH
SCHEDULE OF PUBLIC SUPPORT AND REVENUES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<u>CONTRIBUTIONS</u>		
Fund Drive Contributions	\$ 47,706	\$ 62,403
Other Contributions	44,440	32,085
Foundation Grants	<u>311,253</u>	<u>193,000</u>
	<u>403,399</u>	<u>287,488</u>
<u>PROGRAM SERVICE FEES</u>		
Summer Program Fees	129,318	123,789
Before School Program Fees	56,848	63,886
After School Program Fees	343,709	250,683
Trip Fees	-	294
General Program Fees	50,052	44,021
Bus Pass Fees	<u>2,657</u>	<u>994</u>
	<u>582,584</u>	<u>483,667</u>
<u>GOVERNMENT GRANTS</u>		
Community Development Grant	12,000	12,000
New York State Alliance Nutrition Grant	<u>18,305</u>	<u>9,917</u>
	<u>30,305</u>	<u>21,917</u>
<u>SPECIAL FUNDRAISING EVENTS</u>		
Gala Benefit	236,498	229,716
Golf Tournament	109,126	114,202
Holiday Lunch	15,313	26,146
Miscellaneous Fundraisers	<u>5,760</u>	<u>3,045</u>
	<u>366,697</u>	<u>373,109</u>
<u>INVESTMENT INCOME</u>		
Interest & dividends	76,065	86,162
Capital Gains (Losses)	46,768	838
Unrealized Gains (Losses) on Investments	<u>436,744</u>	<u>(208,272)</u>
	<u>559,577</u>	<u>(121,272)</u>
<u>MISCELLANEOUS REVENUE</u>		
Miscellaneous Income	<u>14,619</u>	<u>7,772</u>
TOTAL REVENUES	\$ <u>1,957,181</u>	\$ <u>1,052,681</u>

See accompanying notes and auditors' report.