

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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 9, 2021

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash in bank	\$ 764,432	\$ 773,135
Accounts receivable	28,699	10,448
Marketable Securities (Note 2)	2,916,462	2,435,508
Corporate Bonds (Note 2)	314,032	202,158
US Treasury Obligations (Note 2)	298,332	343,866
Prepaid expenses	22,737	15,239
Accrued Interest (Notes 1,2)	5,738	4,263
Property Plant & Equipment (Note 3)	<u>2,831,173</u>	<u>2,917,318</u>
TOTAL ASSETS	\$ <u>7,181,605</u>	\$ <u>6,701,935</u>
LIABILITIES		
Accrued Expenses	17,924	41,322
Payroll taxes payable	<u>4,511</u>	<u>—</u>
	<u>22,435</u>	<u>41,322</u>
NET ASSETS		
Without donor restrictions	3,448,259	3,377,754
With donor restrictions (Note 4)	<u>3,710,911</u>	<u>3,282,859</u>
	<u>7,159,170</u>	<u>6,660,613</u>
TOTAL LIABILITIES & NET ASSETS	\$ <u>7,181,605</u>	\$ <u>6,701,935</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, 2020 AND 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
SUPPORT AND REVENUES:				
Public Support				
Contributions	\$ 505,278	\$ -	\$ 505,278	\$ 403,399
Other Revenue				
Program Service Fees	285,026	-	285,026	582,584
Government Grants	27,367	-	27,367	30,305
Special Fundraising Events	230,510	-	230,510	366,697
Investment Income (Loss)	22,509	428,052	450,561	559,577
Miscellaneous Income	14,505	-	14,505	14,619
PPP Loan Forgiveness (Note 6)	<u>179,442</u>	<u>-</u>	<u>179,442</u>	<u>-</u>
Total Support and Revenue	<u>1,264,637</u>	<u>428,052</u>	<u>1,692,689</u>	<u>1,957,181</u>
EXPENSES: (Page 4)				
Program Services	1,005,160	-	1,005,160	1,188,973
General & Administrative	93,004	-	93,004	78,282
Fundraising	<u>95,968</u>	<u>-</u>	<u>95,968</u>	<u>201,650</u>
TOTAL EXPENSES	<u>1,194,132</u>	<u>-</u>	<u>1,194,132</u>	<u>1,468,905</u>
TOTAL CHANGE IN NET ASSETS	70,505	428,052	498,557	488,276
NET ASSETS, BEGINNING OF YEAR	3,377,754	3,282,859	6,660,613	6,172,337
NET ASSETS, END OF YEAR	<u>\$ 3,448,259</u>	<u>\$ 3,710,911</u>	<u>\$ 7,159,170</u>	<u>\$ 6,660,613</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, 2020 AND 2019

	<u>Program Services</u>	<u>Supporting General & Administrative</u>	<u>Services Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Salaries	\$ 515,586	\$ 43,358	\$ 40,097	\$ 599,041	\$ 655,675
Payroll Taxes	40,841	3,434	3,176	47,451	52,229
Employee Benefits	<u>59,298</u>	<u>4,987</u>	<u>4,612</u>	<u>68,897</u>	<u>78,761</u>
	615,725	51,779	47,885	715,389	786,665
Building maintenance & supplies	51,719	1,361	1,361	54,441	65,423
Light, heat and power	44,231	1,164	1,164	46,559	54,935
Insurance	37,732	993	993	39,718	36,805
Scholarships	69,990	-	-	69,990	131,645
Transportation, trips, special events	24,969	-	-	24,969	49,850
Printing & postage	970	949	9,290	11,209	19,601
Supplies	8,409	5,011	-	13,420	13,933
Telephone and internet	4,467	558	558	5,583	5,132
Equipment maintenance	8,894	1,112	1,112	11,118	15,451
Professional fees	-	10,000	21,180	31,180	29,917
Data processing	-	2,320	-	2,320	2,481
Dues and publications	9,321	-	-	9,321	9,306
Employee background checks	-	11,816	-	11,816	12,339
Bank and credit card charges	7,174	273	1,923	9,370	15,860
Miscellaneous	4,352	1,511	194	6,057	6,865
Fundraising event expenses	<u>-</u>	<u>-</u>	<u>6,151</u>	<u>6,151</u>	<u>84,316</u>
TOTAL EXPENSES BEFORE DEPRECIATION	887,953	88,847	91,811	1,068,611	1,340,524
Depreciation	<u>117,207</u>	<u>4,157</u>	<u>4,157</u>	<u>125,521</u>	<u>128,381</u>
TOTAL EXPENSES	\$ <u>1,005,160</u>	\$ <u>93,004</u>	\$ <u>95,968</u>	\$ <u>1,194,132</u>	\$ <u>1,468,905</u>

See accompanying notes and auditors' report.

**BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2020</u>	<u>2019</u>
Increase (Decrease) in Net Assets	\$ 498,557	\$ 488,276
Adjustment to reconcile Increase (Decrease) in Net Assets to Cash Provided by (Used in) Operating Activities:		
Depreciation	125,521	128,381
(Unrealized gains) losses on investments	(308,249)	(436,744)
(Capital gains) losses on sale of investments	(77,250)	(46,768)
Donated securities included in support	(6,086)	(3,988)
(Increase) decrease in accounts receivable	(18,251)	(4,013)
(Increase) decrease in prepaid expenses	(7,498)	(5,518)
(Increase) decrease in accrued interest receivable	(1,476)	687
Increase (decrease) in payroll taxes payable	4,509	-
Increase (decrease) in accrued expenses	(23,393)	<u>20,879</u>
Net Cash Provided by (Used in) Operating Activities	<u>186,384</u>	<u>141,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of marketable securities	574,255	380,081
Proceeds from redemption of corporate bonds	150,500	268,960
Proceeds from redemption of US Treasury Obligations	50,000	48,763
Purchases of marketable securities	(666,660)	(379,878)
Purchases of Treasury obligations	-	(221,226)
Purchases of corporate bonds	(263,806)	(51,212)
Acquisition of property, plant and equipment	<u>(39,376)</u>	<u>(14,875)</u>
Net Cash Provided by (Used in) Investing Activities	(195,087)	30,613
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-0-</u>	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH	(8,703)	171,805
CASH, BEGINNING OF YEAR	<u>773,135</u>	<u>601,330</u>
CASH, END OF YEAR	\$ <u>764,432</u>	\$ <u>773,135</u>

See accompanying notes and auditors' report.

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Boys & Girls Club revenue consists of contributions and program service revenue and are recorded on the accrual basis. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. 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 a restriction expires in a year other than the year in which the contribution is recognized, net assets with 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.

Adoption of new accounting standards

Beginning in the year ended December 31, 2019, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which was issued by the Financial Accounting Standards Board (FASB) in 2016. In addition to the terminology used to describe the categories of net assets in the financial statements, new disclosures were added regarding liquidity and availability of resources (See Note 7).

See auditors’ report

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Adoption of new accounting standards (continued)

Beginning in the year ended December 31, 2020, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This new standard clarifies and improves current guidance about whether a transfer of assets is a contribution or an exchange transaction. Adoption of this standard had no effect on the change in net assets or net assets in total.

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, 2020 are summarized for all investments as follows:

	<u>Cost or Donated Value</u>	<u>Market Value</u>	<u>Unrealized Appreciation</u>
Marketable Securities Restricted by the Endowment Fund	\$ <u>1,709,433</u>	\$ <u>2,916,462</u>	\$ <u>1,207,029</u>
Corporate Bonds Restricted by the Endowment Fund	\$ <u>311,878</u>	\$ <u>314,032</u>	\$ <u>2,154</u>
US Treasury Obligations Restricted by The Endowment Fund	\$ <u>287,967</u>	\$ <u>298,332</u>	\$ <u>10,365</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:

See auditors' report

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

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

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

	<u>2020</u>	<u>2019</u>
Land	\$ 910,697	\$ 910,697
Building and improvements	4,189,767	4,189,767
Computer and telephone equipment	220,795	181,418
Transportation equipment	100,432	100,432
Furniture and other equipment	<u>389,536</u>	<u>389,536</u>
	5,811,227	5,771,850
Less accumulated depreciation	<u>2,980,053</u>	<u>2,854,532</u>
	<u>\$ 2,831,174</u>	<u>\$ 2,917,318</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$ 125,521 and \$ 128,381 respectively.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 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, 2020 and 2019, 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.

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, 2020

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 – LIQUIDITY AND FUNDS AVAILABLE

The following reflects The Boys & Girls Club’s financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Financial assets:	
Cash and cash equivalents	\$ 764,432
Less those unavailable for general expenditures due to donor-imposed restrictions	<u>60,130</u>
Financial assets available to meet cash expenditures for general expenditures	\$ <u>764,432</u>

NOTE 8 - 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, 2020 and 2019 were \$ 25,683 and \$ 31,572 respectively.

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, 2020

NOTE 6 – FORGIVENESS OF PAYROLL PROTECTION LOAN

The Boys & Girls Club applied for and received a Payroll Protection Loan in the amount of \$179,442. The date of the note was May 5, 2020. This loan was granted under the provisions of the SBA's Paycheck Protection Program, which was established to help businesses economically impacted by the COVID-19 pandemic. Under the provisions of this program, the Boys & Girls Club was eligible to apply for forgiveness of the loan principal if the proceeds of the loan were used for the purpose of retaining employees, or to make mortgage, utility, or lease payments. The Organization applied for and received forgiveness of the loan principal on June 22, 2021. As of the date of these financial statements, there is no remaining loan balance due.

NOTE 10 – RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 as a pandemic which has continued to spread throughout the United States and has caused disruption through mandated and voluntary closings and/or transitions to remote work for numerous businesses, including this organization. The organization was required to suspend in-person events, activities, and programs. While the disruptions are expected to be temporary, there is considerable uncertainty around the duration of these disruptions. Therefore, the organization anticipates that this could have a negative effect on operations. Further, the organization also anticipates this could negatively impact future support and revenue as well. However, the extent to which the COVID-19 outbreak will financially impact the organization's operations or financial results cannot be reasonably estimated at this time.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through June 9, 2021, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position through June 9, 2021, that would require adjustment to these financial statements; however, on April 16, 2021, the organization procured a second Payroll Protection Loan in the amount of \$145,475. The loan follows the same provisions as the previous loan and it is management's opinion that the loan will be forgiven in its entirety once forgiveness is applied for.

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, 2020 and 2019 and issued our report thereon dated June 9, 2021 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 9, 2021

THE BOYS AND GIRLS CLUB OF OYSTER BAY EACH NORWICH
SCHEDULE OF PUBLIC SUPPORT AND REVENUES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>CONTRIBUTIONS</u>		
Fund Drive Contributions	\$ 67,731	\$ 47,706
Other Contributions	21,295	44,440
Foundation Grants	<u>416,252</u>	<u>311,253</u>
	<u>505,278</u>	<u>403,399</u>
<u>PROGRAM SERVICE FEES</u>		
Summer Program Fees	82,320	129,318
Before School Program Fees	25,689	56,848
After School Program Fees	148,746	343,709
Trip Fees	595	-
General Program Fees	27,552	50,052
Bus Pass Fees	<u>124</u>	<u>2,657</u>
	<u>285,026</u>	<u>582,584</u>
<u>GOVERNMENT GRANTS</u>		
Community Development Grant	11,912	12,000
New York State Alliance Nutrition Grant	<u>15,455</u>	<u>18,305</u>
	<u>27,367</u>	<u>30,305</u>
<u>SPECIAL FUNDRAISING EVENTS</u>		
Gala Benefit	208,922	236,498
Golf Tournament	18,000	109,126
Holiday Lunch	2,000	15,313
Miscellaneous Fundraisers	<u>1,588</u>	<u>5,760</u>
	<u>230,510</u>	<u>366,697</u>
<u>INVESTMENT INCOME</u>		
Interest & dividends	65,062	76,065
Capital Gains (Losses)	77,250	46,768
Unrealized Gains (Losses) on Investments	<u>308,249</u>	<u>436,744</u>
	<u>450,561</u>	<u>559,577</u>
<u>MISCELLANEOUS REVENUE</u>		
Miscellaneous Income	<u>14,505</u>	<u>14,619</u>
<u>PPP LOAN FORGIVENESS</u> (Note 6)		
	<u>179,442</u>	<u>-</u>
	<u>193,947</u>	<u>14,619</u>
TOTAL REVENUES	\$ <u>1,692,689</u>	\$ <u>1,957,181</u>

See accompanying notes and auditors' report.