

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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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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, 2021 and 2020, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2021 and 2020, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Port Washington, New York 11050
May 18, 2022

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS	<u>2021</u>	<u>2020</u>
Cash in bank	\$ 1,149,640	\$ 764,432
Accounts receivable	38,041	28,699
Marketable Securities (Note 2)	3,655,391	2,916,462
Corporate Bonds (Note 2)	255,479	314,032
US Treasury Obligations (Note 2)	180,429	298,332
Prepaid expenses	12,581	22,737
Accrued Interest (Notes 1,2)	4,823	5,738
Property Plant & Equipment (Note 3)	<u>2,715,346</u>	<u>2,831,173</u>
TOTAL ASSETS	\$ <u>8,011,730</u>	\$ <u>7,181,605</u>
 LIABILITIES		
Accrued Expenses	31,557	17,924
Payroll taxes payable	<u>5,962</u>	<u>4,511</u>
	<u>37,519</u>	<u>22,435</u>
 NET ASSETS		
Without donor restrictions	3,646,569	3,448,259
With donor restrictions (Note 4)	<u>4,327,642</u>	<u>3,710,911</u>
	<u>7,974,211</u>	<u>7,159,170</u>
TOTAL LIABILITIES & NET ASSETS	\$ <u>8,011,730</u>	\$ <u>7,181,605</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, 2021 AND 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
SUPPORT AND REVENUES:				
Public Support				
Contributions	\$ 542,813	\$ -	\$ 542,813	\$ 505,278
Other Revenue				
Program Service Fees	442,813	-	442,813	285,026
Government Grants	72,551	-	72,551	27,367
Special Fundraising Events	288,446	-	288,446	230,510
Investment Income (Loss)	540	616,731	617,271	450,561
Miscellaneous Income	32,200	-	32,200	14,505
PPP Loan Forgiveness (Note 6)	<u>145,475</u>	-	<u>145,475</u>	<u>179,442</u>
Total Support and Revenue	<u>1,524,838</u>	<u>616,731</u>	<u>2,141,569</u>	<u>1,692,689</u>
EXPENSES: (Page 4)				
Program Services	1,082,565	-	1,082,565	1,005,160
General & Administrative	100,743	-	100,743	93,004
Fundraising	<u>143,220</u>	-	<u>143,220</u>	<u>95,968</u>
TOTAL EXPENSES	<u>1,326,528</u>	-	<u>1,326,528</u>	<u>1,194,132</u>
TOTAL CHANGE IN NET ASSETS	198,310	616,731	815,041	498,557
NET ASSETS, BEGINNING OF YEAR	<u>3,448,259</u>	<u>3,710,911</u>	<u>7,159,170</u>	<u>6,660,613</u>
NET ASSETS, END OF YEAR	<u>\$ 3,646,569</u>	<u>\$ 4,327,642</u>	<u>\$ 7,974,211</u>	<u>\$ 7,159,170</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, 2021 AND 2020

	<u>Program Services</u>	<u>Supporting General & Administrative</u>	<u>Services Fundraising</u>	<u>2021 Total</u>	<u>2020 Total</u>
Salaries	\$ 551,685	\$ 48,151	\$ 35,576	\$ 635,412	\$ 599,041
Payroll Taxes	47,722	4,165	3,077	54,964	47,451
Employee Benefits	<u>53,329</u>	<u>4,655</u>	<u>3,439</u>	<u>61,423</u>	<u>68,897</u>
	652,736	56,971	42,092	751,799	715,389
Building maintenance & supplies	71,311	1,877	1,877	75,065	54,441
Light, heat and power	52,463	1,381	1,381	55,225	46,559
Insurance	40,481	1,065	1,065	42,611	39,718
Scholarships	65,451	-	-	65,451	69,990
Transportation, trips, special events	34,030	-	-	34,030	24,969
Printing & postage	864	1,230	9,111	11,205	11,209
Supplies	9,553	3,659	-	13,212	13,420
Telephone and internet	4,310	539	539	5,388	5,583
Equipment maintenance	9,605	1,201	1,201	12,007	11,118
Professional fees	-	16,500	24,854	41,354	31,180
Data processing	-	3,047	-	3,047	2,320
Dues and publications	9,562	-	-	9,562	9,321
Employee background checks	-	8,056	-	8,056	11,816
Bank and credit card charges	8,833	1,029	4,035	13,897	9,370
Miscellaneous	6,931	75	52	7,058	6,057
Fundraising event expenses	<u>-</u>	<u>-</u>	<u>52,900</u>	<u>52,896</u>	<u>6,151</u>
TOTAL EXPENSES BEFORE DEPRECIATION	966,130	96,630	139,107	1,201,863	1,068,611
Depreciation	<u>116,435</u>	<u>4,113</u>	<u>4,113</u>	<u>124,661</u>	<u>125,521</u>
TOTAL EXPENSES	\$ <u>1,082,565</u>	\$ <u>100,743</u>	\$ <u>143,220</u>	\$ <u>1,326,528</u>	\$ <u>1,194,132</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, 2021 AND 2020**

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>2021</u>	<u>2020</u>
Increase (Decrease) in Net Assets	\$ 815,041	\$ 498,557
Adjustment to reconcile Increase (Decrease) in Net Assets to Cash Provided by (Used in) Operating Activities:		
Depreciation	124,661	125,521
(Unrealized gains) losses on investments	(491,108)	(308,249)
(Capital gains) losses on sale of investments	(63,616)	(77,250)
Donated securities included in support	(8,096)	(6,086)
(Increase) decrease in accounts receivable	(9,342)	(18,251)
(Increase) decrease in prepaid expenses	10,156	(7,498)
(Increase) decrease in accrued interest receivable	916	(1,476)
Increase (decrease) in payroll taxes payable	1,453	4,509
Increase (decrease) in accrued expenses	<u>13,629</u>	<u>(23,393)</u>
Net Cash Provided by (Used in) Operating Activities	<u>393,694</u>	<u>186,384</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of marketable securities	256,210	574,255
Proceeds from redemption of corporate bonds	50,000	150,500
Proceeds from redemption of US Treasury Obligations	110,000	50,000
Purchases of marketable securities	(415,860)	(666,660)
Purchases of corporate bonds	-	(263,806)
Acquisition of property, plant and equipment	<u>(8,836)</u>	<u>(39,376)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(8,486)</u>	<u>(195,087)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-0-</u>	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH	385,208	(8,703)
CASH, BEGINNING OF YEAR	<u>764,432</u>	<u>773,135</u>
CASH, END OF YEAR	\$ <u>1,149,640</u>	\$ <u>764,432</u>

See accompanying notes and auditors' report.

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021

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, 2020, 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, 2021

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.

Beginning in the year ended December 31, 2021, the Organization also adopted the provisions of Accounting Standards Update (ASU) No. 2014-19, *Revenue from Contracts with Customers* (Topic 606 of the FASB Accounting Standards Codification (ASC)). This new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on change in net assets or net assets in total.

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization holds long-term investments in marketable securities, corporate bonds and US Treasury obligations which are held in an endowment fund (\$ 4,091,299 and \$ 3,528,826 in 2021 and 2020) (See Note 4). These investments measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices in active markets
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly
- **Level 3:** unobservable inputs for the investment

December 31, 2021

Assets	Level 1	Level 2	Level 3	Total
Marketable Securities	\$ 3,655,391	\$ -	\$ -	\$ 3,655,391
Corporate Bonds	180,429	-	-	180,429
U.S. Treasury Bonds	<u>12,581</u>	<u>-</u>	<u>-</u>	<u>12,580</u>
Net Fair Value	<u>\$ 3,848,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,848,401</u>

See auditors' report

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED))

December 31, 2020

Assets	Level 1	Level 2	Level 3	Total
Marketable Securities	\$ 2,916,462	\$ -	\$ -	\$ 2,916,462
Corporate Bonds	314,032	-	-	314,032
U.S. Treasury Bonds	<u>298,332</u>	-	-	<u>298,332</u>
Net Fair Value	\$ <u>3,528,826</u>	\$ -	\$ -	\$ <u>3,528,826</u>

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended December 31, 2021 and December 31, 2020.

NOTE 3 – PROPERTY, PLANT 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
Transportation equipment	5 years
Furniture and other equipment	7 years

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

	<u>2021</u>	<u>2020</u>
Land	\$ 910,697	\$ 910,697
Building and improvements	4,189,767	4,189,767
Computer and telephone equipment	225,524	220,795
Transportation equipment	100,432	100,432
Furniture and other equipment	389,536	389,536
Construction in progress	<u>4,100</u>	<u>-</u>
	5,820,056	5,811,227
Less accumulated depreciation	<u>3,104,710</u>	<u>2,980,054</u>
	\$ <u>2,715,346</u>	\$ <u>2,831,173</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$ 124,661 and \$ 125,521 respectively.

See auditors' report

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 and 2020 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, 2021 and 2020, 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 – LIQUIDITY AND FUNDS AVAILABLE

The following reflects The Boys & Girls Club's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Financial assets:	
Cash and cash equivalents	\$ 1,149,640
Less those unavailable for general expenditures due to donor-imposed restrictions	<u>90,451</u>
Financial assets available to meet cash expenditures for general expenditures	\$ <u>1,059,189</u>

See auditors' report

THE BOYS AND GIRLS CLUB OF OYSTER BAY-EAST NORWICH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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, 2021 and 2020 were \$ 17,456 and \$ 25,683 respectively.

NOTE 9 – FORGIVENESS OF PAYROLL PROTECTION LOAN

The Boys & Girls Club applied for and received a Payroll Protection Loan in the amount of \$145,475. The date of the note was April 16, 2021. 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 February 4, 2022. As of the date of these financial statements, there is no remaining loan balance due.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through May 18, 2022, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position through May 18, 2022, that would require adjustment to these financial statements.

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, 2021 and 2020 and issued our report thereon dated June 9, 2021 which contained an unqualified opinion on those financial statements.

Our audit was conducted 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 and is not a required part 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
May 18, 2022

THE BOYS AND GIRLS CLUB OF OYSTER BAY EACH NORWICH
SCHEDULE OF PUBLIC SUPPORT AND REVENUES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CONTRIBUTIONS</u>		
Fund Drive Contributions	\$ 103,487	\$ 67,731
Other Contributions	24,326	21,295
Foundation Grants	376,500	416,252
COVID Grant	<u>38,500</u>	<u>-</u>
	<u>542,813</u>	<u>505,278</u>
<u>PROGRAM SERVICE FEES</u>		
Summer Program Fees	137,879	82,320
Before School Program Fees	39,395	25,689
After School Program Fees	210,798	148,746
Trip Fees	-	595
General Program Fees	54,741	27,552
Bus Pass Fees	<u>-</u>	<u>124</u>
	<u>442,813</u>	<u>285,026</u>
<u>GOVERNMENT GRANTS</u>		
Community Development Grant	12,000	11,912
NYS Child Stabilization Grant	45,100	-
New York State Alliance Nutrition Grant	<u>15,451</u>	<u>15,455</u>
	<u>72,551</u>	<u>27,367</u>
<u>SPECIAL FUNDRAISING EVENTS</u>		
Gala Benefit	174,935	208,922
Golf Tournament	113,511	18,000
Holiday Lunch	-	2,000
Miscellaneous Fundraisers	<u>-</u>	<u>1,588</u>
	<u>288,446</u>	<u>230,510</u>
<u>INVESTMENT INCOME</u>		
Interest & dividends	62,547	65,062
Capital Gains (Losses)	63,616	77,250
Unrealized Gains (Losses) on Investments	<u>491,108</u>	<u>308,249</u>
	<u>617,271</u>	<u>450,561</u>
<u>MISCELLANEOUS REVENUE</u>		
Miscellaneous Income	<u>32,200</u>	<u>14,505</u>
<u>PPP LOAN FORGIVENESS</u> (Note 6)		
	<u>145,475</u>	<u>179,442</u>
TOTAL REVENUES	\$ <u>2,141,569</u>	\$ <u>1,692,689</u>

See accompanying notes and auditors' report.