THE BOYS' CLUB OF NEW YORK

BCNY The Boys' Club of New York

CONSOLIDATED FINANCIAL STATEMENTS
With Supplementary Information
(Together with Independent Auditors' Report)

YEAR ENDED JUNE 30, 2021

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MARKS PANETH
ACCOUNTANTS & ADVISORS

THE BOYS' CLUB OF NEW YORK

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With Supplementary Information
(Together with Independent Auditors' Report)

YEAR ENDED JUNE 30, 2021

CONTENTS

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
The Boys' Club of New York

We have audited the accompanying consolidated financial statements of The Boys' Club of New York (the "Boys' Club") and Camp Cromwell, Inc. (the "Subsidiary" or "Camp") (collectively, the "Club"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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. Accordingly, we express no such opinion. 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Boys' Club of New York and Subsidiary as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the Club as a whole. The consolidating statements (shown on pages 15-16) are presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual organizations and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
October 22, 2021

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021

ASSETS	
Cash and cash equivalents (Notes 2E and 10A)	$ 2,012,728
Contributions receivable, net (Notes 2C and 2D)	1,198,398
Investments (Notes 2F, 5 and 6)	100,178,286
Prepaid expenses and other assets	536,016
Property and equipment, net (Notes 2G and 4)	4,506,960
TOTAL ASSETS	$ 108,432,388
LIABILITIES	
Accounts payable and accrued expenses	$ 623,908
Deferred revenue (Note 2H)	100,858
Asset retirement obligation (Note 9A)	76,154
Loan payable (Note 12B)	1,648,141
TOTAL LIABILITIES	2,449,061
COMMITMENTS AND CONTINGENCIES (Note 13)	
NET ASSETS (Note 2B)	
Without donor restrictions	
Operations	70,357,262
Net investment in property and equipment	4,430,806
Total without donor restrictions	74,788,068
With donor restrictions	
Time and purpose restricted (Note 8)	6,834,926
Perpetual in nature (Note 8)	24,360,333
Total with donor restrictions	31,195,259
TOTAL NET ASSETS	105,983,327
TOTAL LIABILITIES AND NET ASSETS	$ 108,432,388

The accompanying notes are an integral part of these consolidated financial statements.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT (Note 2J):			
Contributions (Notes 2C and 2D)	$ 2,663,566	$ 1,834,284	$ 4,497,850
Donated services and facilities (Note 2N)	2,059,657	-	2,059,657
Special events (net of direct expenses of $38,655)	389,777	-	389,777
Investment spending policy (Notes 5 and 8)	1,663,808	1,860,536	3,524,344
Government contracts and other revenue (Note 2O)	537,353	-	537,353
Net assets released from restrictions (Note 2B)	2,114,317	(2,114,317)	-
TOTAL OPERATING REVENUE AND SUPPORT	9,428,478	1,580,503	11,008,981
OPERATING EXPENSES (Notes 2I and 2J):			
Program Services:			
Clubhouse activities	5,100,966	-	5,100,966
Camping	307,763	-	307,763
Physical education	231,057	-	231,057
Educational services	260,967	-	260,967
Food program and other	30,253	-	30,253
Total Program Services	5,931,006	-	5,931,006
Supporting Services:			
Management and general	3,224,842	-	3,224,842
Fundraising	1,061,026	-	1,061,026
Total Supporting Services	4,285,868	-	4,285,868
TOTAL OPERATING EXPENSES	10,216,874	-	10,216,874
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(788,396)	1,580,503	792,107
NON-OPERATING ACTIVITIES (Note 2J):			
Investment activity over amount used for operations (Note 5)	13,983,809	3,375,043	17,358,852
Bequests (Note 2K)	239,673	236,550	476,223
TOTAL NON-OPERATING ACTIVITIES	14,223,482	3,611,593	17,835,075
CHANGE IN TOTAL NET ASSETS	13,435,086	5,192,096	18,627,182
Net assets - beginning of year	61,352,982	26,003,163	87,356,145
NET ASSETS - END OF YEAR	$ 74,788,068	$ 31,195,259	$ 105,983,327

The accompanying notes are an integral part of these consolidated financial statements.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services: Management & General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total
Personnel service costs	$ 2,845,357	$ 626,246	$ 562,720	$ 1,188,966	$ 4,034,323
Payroll taxes and benefits (Note 7)	637,818	315,529	146,562	462,091	1,099,909
Occupancy (Note 2N)	313,324	115,202	57,228	172,430	485,754
Professional fees (Note 2N)	133,619	1,948,675	62,413	2,011,088	2,144,707
Repairs, maintenance and equipment	386,772	5,102	5,868	10,970	397,742
Insurance	269,416	79,321	47,869	127,190	396,606
Printing and publications	181	597	324	921	1,102
Information technology	28,870	20,529	23,184	43,713	72,583
Travel and transportation	8,462	2,204	1,469	3,673	12,135
Telephone and telecommunications	72,815	28,347	7,567	35,914	108,729
Office/program supplies, etc.	246,497	64,317	16,250	80,567	327,064
Food	31,163	-	-	-	31,163
Event rental and production	-	-	168,227	168,227	168,227
Depreciation (Note 4)	956,712	18,773	-	18,773	975,485
Subtotal	5,931,006	3,224,842	1,099,681	4,324,523	10,255,529
Less: Special event direct expenses	-	-	(38,655)	(38,655)	(38,655)
TOTAL EXPENSES	$ 5,931,006	$ 3,224,842	$ 1,061,026	$ 4,285,868	$ 10,216,874

The accompanying notes are an integral part of these consolidated financial statements.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ 18,627,182
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	975,485
Non-cash interest expense	20,347
Change in value of beneficial interest in charitable remainder unitrust	(216,784)
Net realized and unrealized gain on investments	(20,228,438)
Sub-total	(822,208)
Changes in operating assets and liabilities:	
Increase in assets:	
Contributions receivable	(715,113)
Prepaid expenses and other assets	(147,807)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(142,468)
Deferred revenue	30,511
Asset retirement obligation	(92,314)
Net Cash Used in Operating Activities	(1,889,399)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(23,207,538)
Proceeds from sales of investments	22,215,836
Distribution of beneficial interest in charitable remainder trust	1,800,000
Purchases of property and equipment	(90,561)
Net Cash Provided by Investing Activities	717,737
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,171,662)
Cash and cash equivalents - beginning of year	3,184,390
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,012,728

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements of The Boys' Club of New York and Subsidiary (the "Club") have been prepared by consolidating The Boys' Club of New York (the "Boys' Club") and Camp Cromwell, Inc. (the "Camp").

Founded in 1876 by Edward H. Harriman, the Boys' Club was one of the first Boys' Clubs in America and helped launch the national Boys' Club movement. For the last 144 years, the Boys' Club has served boys from New York's poorest neighborhoods with programs that became prototypes for youth agencies around the country. The Boys' Club is an organization described under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes under Section 501(a) of the Code.

The Camp served as a camp facility for the Club since 1986. In 1984, with the revision of the articles of incorporation of the Camp, the Boys' Club acquired the right to fully elect the Board of Directors of the Camp. In 2011, the Camp obtained an exemption from the Internal Revenue Service ("IRS") and is described under Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Club's consolidated financial statements have been prepared by consolidating the financial statements of the Boys' Club and the Camp. All material intercompany transactions and balances have been eliminated in the consolidation. The consolidated financial statements have been prepared on the accrual basis of accounting. The Club adheres to accounting policies generally accepted in the United States of America ("U.S. GAAP").

B. The Club maintains its net assets under the following two classes:

   Without donor restrictions: This represents resources available for support of the Club's operations as well as investment in property and equipment.

   With donor restrictions: This represents net assets resulting from contributions and other inflows of assets whose use by the Club is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Club pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or investments held in perpetuity earnings are appropriated for operations), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

   Interest and dividend income and net realized and unrealized gains (losses) on investments held in perpetuity are reported as increases (decreases) in net assets, if the terms of the gift impose restrictions on the use of the income. Such net assets with donor restrictions are reclassified to net assets without donor restrictions when the purpose restriction is accomplished as follows:

   - As an increase in net assets with donor restrictions, if not appropriated by the Board of Trustees.
   - As increases (decreases) in net assets without donor restrictions in all other cases.

C. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional contributions and promises to give, those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Many volunteers, including members of the Board of Trustees, have made significant contributions of time in furtherance of the Club's policies and programs. The value of this contributed time does not meet the criteria for recognition and therefore is not reflected in the accompanying consolidated statement of activities.

   Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net asset without donor restrictions class. Contributions of cash or assets to be used to acquire land, buildings and equipment with such donor stipulations are reported as revenues of the net asset with donor restrictions class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Non-current contributions receivable (collectable in one to five years) are recorded net of a discount at a risk adjusted rate to reflect the present value of future cash flows, when material. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

   As of June 30, 2021, the Club determined that an allowance for doubtful accounts of $6,410, was necessary for uncollectible accounts. This determination was based on a combination of factors such as management's estimate of the creditworthiness of its donors, a review of individual accounts outstanding, the aged basis of the receivables and historical experience.

E. Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are near to their maturity (three months or less at the time of purchase) except for those managed as a component of the Club's investment portfolio.

F. Investments are stated at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of alternative investments that are not readily marketable are based upon values provided by the investment managers, which are reviewed for reasonableness by management. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 6.

G. Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. The Club capitalizes property and equipment with a cost of $2,500 or more and a useful life of greater than two years. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

H. On occasion, the Club receives cash advances for special events that are to be held after the consolidated statement of financial position date. It is the policy of the Club to refund all cash received in advance of special events (both contribution and exchange portions), if the event is subsequently canceled. Such cash advances are recorded as deferred revenue in the accompanying consolidated financial statements.

I. The costs of providing program and supporting services of the Club have been summarized on a functional basis in the consolidated financial statements. Expenses that can be identified as belonging to programs and/or supporting services are allocated directly to their natural expenditure classification. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses that are allocated include salaries, fringe benefits, occupancy, telephone, databases, utilities, supplies, and professional fees. The allocation method is based on a percentage of total Full Time Equivalent ("FTEs") of each program.

J. The Club includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized investment income allocation and all contributions except for those that have been restricted in perpetuity by donors. Investment income, including realized and unrealized gains and losses earned in excess of (or less than) the Club's aggregate spending amount (see Note 5), bequests, gain on sale of property, plant and equipment, change in value of beneficial trust and other non-operating gains or losses are recognized as non-operating activities.

K. The Club recognizes bequests and legacies when wills have passed probate and the sum is certain.

L. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. The Club held a beneficial interest in an irrevocable charitable remainder unitrust which was held by a third party. The unitrust was a time-restricted contribution that was not available to the Club until after the death of the beneficiary. During the year ended June 30, 2021, the Club received a final distribution from the trust.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Donated services are recognized at fair value if they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. During the year ended June 30, 2021, the Club received donated facilities in the amount of $210,000 and donated professional services in the amount of $1,849,657. The amounts are reflected as both revenue and expenses in the consolidated statement of activities.

O. Government grants are nonexchange transactions accounted for under ASU 2018-08. Governmental grants are recognized as revenue when barriers within the contract are overcome and there is no longer a right of return and amounted to $148,996 for the year ended June 30, 2021. As of June 30, 2021, the aggregate amount of conditional grants unrecorded in the accompanying financial statements was $0.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Club strives to maintain liquid financial assets sufficient to cover expenditures. The Club projects cash flow based on timing of income as part of liquidity management. Financial assets available for expenditures, that is, without donor or other restrictions limiting their use within one year of the consolidated statement of financial position date, comprise the following:

Cash and cash equivalents	$ 2,012,728
Current contributions receivable, net	698,398
Investments, net of maturities greater than 1 year	92,637,077
Less: (net assets with donor restrictions)	(31,195,259)
	$ 64,152,944

In addition to the liquid financial assets, the Club has a line of credit totaling $5 million with a financial institution, which can be drawn upon if needed (see Note 11).

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2021:

		Estimated Useful Lives
Land	$ 161,044	-
Buildings and improvements	23,719,516	10-30 years
Equipment and vehicles	2,907,877	
Total cost	26,788,437	5 years
Less: accumulated depreciation	(22,281,477)	
Net book value	$ 4,506,960	

Depreciation expense amounted to $975,485 for the year ended June 30, 2021.

NOTE 5 - INVESTMENTS

Investments consist of the following as of June 30, 2021:

Money market funds	$ 4,683,656
Common stocks	8,018,126
Mutual funds	50,465,897
Fixed income	8,750,695
Alternative investments	28,259,912
	$ 100,178,286

NOTE 5 - INVESTMENTS (Continued)

Alternative investments consist of hedge funds and real estate investments with global and offshore funds with underlying investments in private investment companies, fixed income, domestic and foreign publicly traded equity securities and derivative instruments primarily in global commodities markets.

The Club's investment return spending policy is discretionary. During the year ended June 30, 2021, the distribution for current spending amounted to approximately 4% of the fair value (net of investment advisory fees) of the Club's investment portfolio as of June 30, 2021. The components of investment activity for the year ended June 30, 2021 are as follows:

Interest and dividends	$ 855,799
Realized gain	1,822,621
Unrealized gain	18,405,817
Investment advisory fees	(201,041)
	$ 20,883,196
Designation of investment return:	
Amount used for operations	$ 3,524,344
Amount considered non-operating	17,358,852
	$ 20,883,196

Investments in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

NOTE 6 - FAIR VALUE MEASUREMENTS

In determining fair value, the Club utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Investments in common stock, mutual funds and money market funds are valued using market prices in active markets (Level 1). Fixed income funds are valued using quoted prices in inactive markets (Level 2).

The Club's alternative investments are valued using Net Asset Value ("NAV") at practical expedient. These funds trade and invest both long and short, in a broad range of currencies, fixed income, commodities, equities, and private investment companies, using cash markets and derivative instruments (both exchange-traded and over-the-counter). Investments in private investment companies are valued at NAV practical expedient using the NAV provided by underlying private investment companies. The fund managers value the underlying investments at NAV based on quoted market prices or broker dealer quotations. In the absence of quoted market prices or broker-dealer quotations, investments are valued at NAV as determined by the investment managers. Because of the inherent uncertainties of valuation, these estimated values may differ significantly from the values that would have been realized had a ready market for these investments existed, and these differences could be material. There are redemption restrictions and unfunded commitments that are classified as NAV practical expedient disclosed later in this section.

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the year ended June 30, 2021 there were no transfers in or out of levels 1, 2 or 3.

Financial assets carried at fair value as of June 30, 2021 are classified in the table as follows:

	Level 1	Level 2	Total 2021
Investments Carried at Fair Value:			
Money market	$ 4,683,656	$ -	$ 4,683,656
Common stocks	8,018,126	-	8,018,126
Mutual funds	50,465,897	-	50,465,897
U.S. fixed income	-	8,750,695	8,750,695
Total:	$63,167,679	$ 8,750,695	71,918,374
Alternative investments using NAV as practical expedient:			
Hedge event driven funds			9,386,710
Hedge long/short funds			16,157,492
Hedge relative value funds			2,715,710
Total Investments			$ 100,178,286

The following investments are alternative investments valued at NAV, which equals fair value:

		Commitments	Unfunded Frequency	Redemption Notice Period
Hedge event driven funds	$ 9,386,710	None	Immediately	Up to 90 days
Hedge long/short funds	16,157,492	None	Immediately	Up to 90 days
Hedge relative value funds	2,715,710	None	Immediately	Up to 90 days
	$ 28,259,912			

NOTE 7 - PENSION PLAN

The Club sponsors a defined contribution retirement pension plan ("403(b) plan") that operates under Section 403(b) of the Code. All full-time employees become eligible for the 403(b) plan on the first day of the month following the completion of 12 consecutive months in which the employee first completes at least 1,250 hours of service. In 2013, the 403(b) plan was amended to include all part-time employees effective October 1, 2013. The benefits are vested immediately when contributions are made. The Club makes a discretionary contribution ranging from 2% to 6% of the eligible employee salary based on their years of service. For the year ended June 30, 2021, the Club contributed $116,823.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with time and purpose restrictions as of June 30, 2021 are restricted by donors for the following purposes or periods:

Clubhouses- social, cultural, health and physical development	$ 296,155
Other time and purpose restricted	1,303,191
Unappropriated endowment earnings	5,235,580
	$ 6,834,926

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets held in perpetuity consist of endowment gifts from donors with income to be used without restriction purposes with respect to approximately $9.8 million and for donor-specified purposes (interest and dividends only), principally educational, scholarship, music and arts with respect to approximately $14.5 million of endowment net assets as of June 30, 2021.

Endowment net assets consist of donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. See Note 2B for how the Club maintains its net assets.

The Club follows the New York State law known as the New York Prudent Management of Institutional Funds Act ("NYPMIFA") which, among other things, contains a rebuttable presumption of imprudence if an organization appropriates more than 7% of a donor-restricted held in perpetuity endowment fund's fair value (averaged over a period of the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered without donor restrictions by the donor must be reflected as with donor restrictions until appropriated by the Board. The Club's Board has interpreted NYPMIFA as allowing the Club to appropriate for expenditure or accumulate so much of an endowment fund as the Club determines is prudent for the uses, benefits, purposes and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument.

For donor-restricted endowment funds, the Board of the Club makes long-term investment policies. Investments consist of cash equivalents, equity and fixed income securities, mutual funds, limited partnerships, and hedge equity funds and are diversified as to minimize the risk of large losses. Asset allocations and fund managers are determined by the Investment Committee.

The Club's policy is that endowment earnings will be spent in accordance with the donor's stipulations. In the absence of donor stipulations, endowment earnings are classified as net assets with donor restrictions until appropriated for operations by the Board.

Changes in endowment net assets for the year ended June 30, 2021, are as follows:

	Donor Restricted Endowment		
	Endowment Activities	Held in Perpetuity	Total 2021
Investment Activity:			
Interest and dividends	$ 654,022	$ -	$ 654,022
Realized and unrealized losses, net	6,442,064	-	6,442,064
Total investment activity	7,096,086	-	7,096,086
Amount appropriated by the Board	(1,860,536)	-	(1,860,536)
Total change	5,235,550	-	5,235,550
Balance, beginning of year	30	24,360,333	24,360,363
Balance, end of year	$ 5,235,580	$ 24,360,333	$ 29,595,913

Net assets with donor restrictions held in perpetuity of $24,360,333 are included with investments in the consolidated statement of financial position as of June 30, 2021.

NOTE 9 - ASSET RETIREMENT OBLIGATION

A. In accordance with FASB Accounting Standards Codification ("ASC") 410-20 Accounting for Conditional Asset Retirement Obligations, the Club is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Under FASB ASC 405-20, costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets are required to be accrued. The Club identified asbestos abatement as a conditional asset retirement obligation for certain buildings and improvements and computes the present value of remediation costs to be a liability. As of June 30, 2021, the obligation related to this amounted to $76,154.

NOTE 9 - ASSET RETIREMENT OBLIGATION (Continued)

B. In June 15, 2017, the Club sold land and building located at 850 Vosseller Avenue, Bridgewater Township, Somerset County, NJ for $7.5 million. As a part of the purchase agreement, the Club agreed to hold back, in escrow, $400,000 from the purchase price for environmental remediation. The escrowed monies may be used for any environmental remediation and all of the escrow fund can be spent if necessary. Upon the issuance of the area of concern response action response ("AOC, RAR"), any escrow monies still remaining after the payment of the remediation costs incurred to obtain the AOC RAR, shall be released to the Club. The escrow monies are $81,154 as of June 30, 2021, and are included in prepaid expenses and other assets on the consolidated statement of financial position.

NOTE 10 - CONCENTRATIONS

A. Cash and cash equivalents that potentially subject the Club to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to $250,000 per depositor. As of June 30, 2021, there was approximately $1,768,781, respectively, of cash and cash equivalents held by one bank that exceeded FDIC limits.

B. For the year ended June 30, 2021, the Club's contribution revenue included a contribution from a single donor that amounted to $1,500,000, approximately 14% of operating revenue.

NOTE 11 - LINE OF CREDIT

The Club has a line of credit with a maximum borrowing limit in the amount of $5,000,000, which expires March 31, 2022. The line of credit bears interest at the one-month LIBOR rate plus an "applicable margin rate" of 1.25 unless the borrower specifically requests a loan that bears interest at the Fixed Libor Rate plus an "applicable margin rate" of 1.35%. The outstanding balance amounted to $0 as of June 30, 2021. As of October 22, 2021, there were no borrowings outstanding.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

A. The Club has one operating lease agreement expiring in July 2022. As of June 30, 2021, annual future minimum rental payable for real property pertaining to fiscal year 2022 is $210,000.

B. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. COVID-19 disrupted activities of the Club during the year ended June 30, 2021. The extent of the impact of any epidemic, pandemic or other health crisis on the Club's mission, financial condition and results of operations will depend on future developments, accordingly, the Club cannot predict the extent to which its financial condition and results of operations will be affected. The Club continues to monitor evolving economic and business conditions and the actual and potential impacts of COVID-19 on the Club.

   On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program ("PPP"). Participating in the PPP enables the business to obtain a loan from the Small Business Administration ("SBA") sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven.

   The Club applied for this loan through a SBA authorized lender and received $1,627,794 in May 2020. Management has opted to account for the proceeds as a loan under FASB ASC 470 until the loan is, in part or wholly forgiven and the Club has been "legally released". As of June 30, 2021 the outstanding loan balance and related accrued interest at a rate of 1% amounted to $1,627,794 and $20,347, respectively. Subsequent to year end the Club submitted the application for forgiveness. On August 30, 2021, the application was approved and loan was forgiven in whole.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

C. The Club, in the ordinary course of business, is exposed to various potential claims and assessments. The Club is also subject to four legal proceedings and claims which have arisen in part because New York State has temporarily suspended certain statutes of limitations. These four complaints and allegations date from 1970-1989. All claims and assessments have not been fully adjudicated. As of June 30, 2021, management cannot determine the final outcome of these claims and has not recorded any liability in the consolidated financial statements.

D. The Club believes it has no uncertain tax positions as of June 30, 2021 in accordance with ASC Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through October 22, 2021, the date the consolidated financial statements were available to be issued.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021

	Boys' Club of New York	Camp Cromwell	Consolidating Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents (Notes 2E and 10A)	$ 1,876,225	$ 136,503	$ -	$ 2,012,728
Contributions receivable, net (Notes 2C and 2D)	1,198,398	-	-	1,198,398
Investments (Notes 2F, 5 and 6)	91,547,053	8,631,233	-	100,178,286
Prepaid expenses and other assets	452,827	83,189	-	536,016
Due from related party	-	190,246	(190,246)	-
Property and equipment, net (Notes 2G and 4)	4,506,960	-	-	4,506,960
TOTAL ASSETS	$ 99,581,463	$ 9,041,171	$ (190,246)	$ 108,432,388
LIABILITIES				
Accounts payable and accrued expenses	$ 623,908	$ -	$ -	$ 623,908
Deferred revenue (Note 2H)	100,858	-	-	100,858
Due to related party	190,246	-	(190,246)	-
Asset retirement obligation (Note 9A)	-	76,154	-	76,154
Loan payable (Note 12B)	1,648,141	-	-	1,648,141
TOTAL LIABILITIES	2,563,153	76,154	(190,246)	2,449,061
NET ASSETS (Note 2B)				
Without donor restrictions				
Operations	61,316,091	9,041,171	-	70,357,262
Net investment in property and equipment	4,506,960	(76,154)	-	4,430,806
Total without donor restrictions	65,823,051	8,965,017	-	74,788,068
With donor restrictions				
Time and purpose restricted (Note 8)	6,834,926	-	-	6,834,926
Perpetual in nature (Note 8)	24,360,333	-	-	24,360,333
Total with donor restrictions				
TOTAL NET ASSETS	97,018,310	8,965,017	-	105,983,327
TOTAL LIABILITIES AND NET ASSETS	$ 99,581,463	$ 9,041,171	$ (190,246)	$ 108,432,388

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Boys' Club of New York			Camp Cromwell	Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT (Note 2J):							
Contributions (Notes 2C and 2D)	$ 2,663,566	$ 1,834,284	$ 4,497,850	$ -	$ 2,663,566	$ 1,834,284	$ 4,497,850
Donated services and facilities (Note 2N)	2,059,657	-	2,059,657	-	2,059,657	-	2,059,657
Special events (net of direct expenses of $38,655)	389,777	-	389,777	-	389,777	-	389,777
Investment spending policy (Notes 5 and 8)	1,663,808	1,860,536	3,524,344	-	1,663,808	1,860,536	3,524,344
Government contracts and other revenue (Note 2O)	537,353	-	537,353	-	537,353	-	537,353
Net assets released from restrictions (Note 2B)	2,114,317	(2,114,317)	-	-	2,114,317	(2,114,317)	-
TOTAL OPERATING REVENUE AND SUPPORT	9,428,478	1,580,503	11,008,981	-	9,428,478	1,580,503	11,008,981
OPERATING EXPENSES (Notes 2I and 2J):							
Program Services:							
Clubhouse activities	5,100,966	-	5,100,966	-	5,100,966	-	5,100,966
Camping	307,763	-	307,763	-	307,763	-	307,763
Physical education	231,057	-	231,057	-	231,057	-	231,057
Educational services	260,967	-	260,967	-	260,967	-	260,967
Food program and other	30,253	-	30,253	-	30,253	-	30,253
Total Program Services	5,931,006	-	5,931,006	-	5,931,006	-	5,931,006
Supporting Services:							
Management and general	3,224,842	-	3,224,842	-	3,224,842	-	3,224,842
Fundraising	1,061,026	-	1,061,026	-	1,061,026	-	1,061,026
Total Supporting Services	4,285,868	-	4,285,868	-	4,285,868	-	4,285,868
TOTAL OPERATING EXPENSES	10,216,874	-	10,216,874	-	10,216,874	-	10,216,874
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(788,396)	1,580,503	792,107	-	(788,396)	1,580,503	792,107
NON-OPERATING ACTIVITIES (Note 2J):							
Investment activity over amount used for operations (Note 5)	12,498,628	3,375,043	15,873,671	1,485,181	13,983,809	3,375,043	17,358,852
Bequests (Note 2K)	239,673	236,550	476,223	-	239,673	236,550	476,223
TOTAL NON-OPERATING ACTIVITIES	12,738,301	3,611,593	16,349,894	1,485,181	14,223,482	3,611,593	17,835,075
CHANGE IN TOTAL NET ASSETS	11,949,905	5,192,096	17,142,001	1,485,181	13,435,086	5,192,096	18,627,182
Net assets - beginning of year	53,873,146	26,003,163	79,876,309	7,479,836	61,352,982	26,003,163	87,356,145
NET ASSETS - END OF YEAR	$ 65,823,051	$ 31,195,259	$ 97,018,310	$ 8,965,017	$ 74,788,068	$ 31,195,259	$ 105,983,327