THE BOYS' CLUB OF NEW YORK

BCNY The Boys' Club of New York

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

YEARS ENDED JUNE 30, 2022 AND 2021

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YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the 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, 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Boys' Club of New York and Subsidiary as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Club and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2021 Consolidated Financial Statements

The consolidated financial statements of the Club as of and for the year ended June 30, 2021 were audited by another auditor whose report dated October 22, 2021 expressed an unmodified opinion on those consolidated financial statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Club's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Club's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Club's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information (shown on pages 16 and 17) as of and for the year ended June 30, 2022, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and the change in net assets of the individual organizations and is 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 supplementary 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
December 6, 2022

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents (Notes 2E and 10A)	$ 1,825,635	$ 2,012,728
Contributions receivable, net (Notes 2C and 2D)	780,194	1,198,398
Investments (Notes 2F, 5 and 6)	84,095,702	100,178,286
Prepaid expenses and other assets	282,090	536,016
Property and equipment, net (Notes 2G and 4)	3,784,935	4,506,960
TOTAL ASSETS	$ 90,768,556	$ 108,432,388
LIABILITIES		
Accounts payable and accrued expenses	$ 546,399	$ 623,908
Other liabilities (Notes 2H and 2P)	78,341	100,858
Asset retirement obligation	17,133	76,154
Loan payable (Note 12B)	-	1,648,141
TOTAL LIABILITIES	641,873	2,449,061
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS (Note 2B)		
Without donor restrictions		
Operations	59,838,956	70,357,262
Net investment in property and equipment	3,767,802	4,430,806
Total without donor restrictions	63,606,758	74,788,068
With donor restrictions		
Time and purpose restricted (Note 8)	2,159,592	6,834,926
Perpetual in nature (Note 8)	24,360,333	24,360,333
Total with donor restrictions	26,519,925	31,195,259
TOTAL NET ASSETS	90,126,683	105,983,327
TOTAL LIABILITIES AND NET ASSETS	$ 90,768,556	$ 108,432,388

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

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	For the Year Ended June 30, 2022			For the Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
OPERATING REVENUE AND SUPPORT (Note 2J):						
Contributions (Notes 2C 2D, and 10B)	$ 2,485,433	$ 15,000	$ 2,500,433	$ 2,663,566	$ 1,834,284	$ 4,497,850
Donated services and facilities (Notes 2N and 9)	380,262	-	380,262	2,059,657	-	2,059,657
Special events (net of direct expenses of $144,380 and $38,655, respectively)	1,284,236	-	1,284,236	389,777	-	389,777
Investment spending policy (Notes 5 and 8)	1,949,868	1,817,869	3,767,737	1,663,808	1,860,536	3,524,344
Government contracts and other revenue (Note 2O)	1,214,169	-	1,214,169	537,353	-	537,353
Paycheck Protection Program (Note 12B)	1,648,141	-	1,648,141	-	-	-
Net assets released from restrictions (Note 2B)	2,432,090	(2,432,090)	-	2,114,317	(2,114,317)	-
TOTAL OPERATING REVENUE AND SUPPORT	11,394,199	(599,221)	10,794,978	9,428,478	1,580,503	11,008,981
OPERATING EXPENSES (Notes 2I and 2J):						
Program Services:						
Clubhouse activities	6,189,833	-	6,189,833	5,100,966	-	5,100,966
Camping	538,697	-	538,697	307,763	-	307,763
Physical education	241,980	-	241,980	231,057	-	231,057
Educational services	324,097	-	324,097	260,967	-	260,967
Food program and other	131,555	-	131,555	30,253	-	30,253
Total Program Services	7,426,162	-	7,426,162	5,931,006	-	5,931,006
Supporting Services:						
Management and general (Notes 2N and 9)	1,910,006	-	1,910,006	3,224,842	-	3,224,842
Fundraising	1,329,416	-	1,329,416	1,061,026	-	1,061,026
Total Supporting Services	3,239,422	-	3,239,422	4,285,868	-	4,285,868
TOTAL OPERATING EXPENSES	10,665,584	-	10,665,584	10,216,874	-	10,216,874
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	728,615	(599,221)	129,394	(788,396)	1,580,503	792,107
NON-OPERATING ACTIVITIES (Note 2J):						
Investment activity over amount used for operations (Note 5)	(11,949,442)	(4,213,111)	(16,162,553)	13,983,809	3,375,043	17,358,852
Bequests (Note 2K)	39,517	136,998	176,515	239,673	236,550	476,223
TOTAL NON-OPERATING ACTIVITIES	(11,909,925)	(4,076,113)	(15,986,038)	14,223,482	3,611,593	17,835,075
CHANGE IN TOTAL NET ASSETS	(11,181,310)	(4,675,334)	(15,856,644)	13,435,086	5,192,096	18,627,182
Net assets - beginning of year	74,788,068	31,195,259	105,983,327	61,352,982	26,003,163	87,356,145
NET ASSETS - END OF YEAR	$ 63,606,758	$ 26,519,925	$ 90,126,683	$ 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 STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	For the Year Ended June 30, 2022					For the Year Ended June 30, 2021				
		Supporting Services					Supporting Services			
	Program Services	Management & General	Fundraising	Total Supporting Services	2022 Total	Program Services	Management & General	Fundraising	Total Supporting Services	2021 Total
Personnel service costs	$ 3,367,995	$ 862,240	$ 556,040	$ 1,418,280	$ 4,786,275	$ 2,845,357	$ 626,246	$ 562,720	$ 1,188,966	$ 4,034,323
Payroll taxes and benefits (Note 7)	827,694	253,880	175,516	429,396	1,257,090	637,818	315,529	146,562	462,091	1,099,909
Occupancy (Notes 2N, 2P, 9 and 12A)	483,053	263,893	88,662	352,555	835,608	313,324	115,202	57,228	172,430	485,754
Professional fees (Notes 2N and 9)	312,441	173,304	180,354	353,658	666,099	133,619	1,948,675	62,413	2,011,088	2,144,707
Repairs, maintenance and equipment	348,100	23,614	87	23,701	371,801	386,772	5,102	5,868	10,970	397,742
Insurance	245,457	85,165	56,506	141,671	387,128	269,416	79,321	47,869	127,190	396,606
Printing and publications	4,296	987	41,584	42,571	46,867	181	597	324	921	1,102
Information technology	57,814	12,190	27,779	39,969	97,783	28,870	20,529	23,184	43,713	72,583
Travel and transportation	44,924	7,324	1,668	8,992	53,916	8,462	2,204	1,469	3,673	12,135
Telephone and telecommunications	90,205	14,363	15,765	30,128	120,333	72,815	28,347	7,567	35,914	108,729
Office/program supplies, etc.	541,486	130,657	30,039	160,696	702,182	246,497	64,317	16,250	80,567	327,064
Food	123,898	-	-	-	123,898	31,163	-	-	-	31,163
Event rental and production	54,062	-	299,796	299,796	353,858	-	-	168,227	168,227	168,227
Bad debt	-	65,133	-	65,133	65,133	-	-	-	-	-
Depreciation (Note 4)	924,737	17,256	-	17,256	941,993	956,712	18,773	-	18,773	975,485
Subtotal	7,426,162	1,910,006	1,473,796	3,383,802	10,809,964	5,931,006	3,224,842	1,099,681	4,324,523	10,255,529
Less: Special event direct expenses	-	-	(144,380)	(144,380)	(144,380)	-	-	(38,655)	(38,655)	(38,655)
TOTAL EXPENSES	$ 7,426,162	$ 1,910,006	$ 1,329,416	$ 3,239,422	$ 10,665,584	$ 6,413,254	$ 3,224,842	$ 1,061,026	$ 4,285,868	$ 10,216,874

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (15,856,644)	$ 18,627,182
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	941,993	975,485
Non-cash interest expense	-	20,347
Paycheck Protection Program loan forgiveness	(1,648,141)	-
Change in value of beneficial interest in charitable remainder unitrust	-	(216,784)
Net realized and unrealized loss (gain) on investments	13,013,982	(20,228,438)
Bad debt	65,133	-
Sub-total	(3,483,677)	(822,208)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	353,071	(715,113)
Prepaid expenses and other assets	253,926	(147,807)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(77,509)	(142,468)
Deferred revenue	(22,517)	30,511
Asset retirement obligation	(59,021)	(92,314)
Net Cash Used in Operating Activities	(3,035,727)	(1,889,399)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(15,545,695)	(23,207,538)
Proceeds from sales of investments	18,614,297	22,215,836
Distribution of beneficial interest in charitable remainder trust	-	1,800,000
Purchases of property and equipment	(219,968)	(90,561)
Net Cash Provided by Investing Activities	2,848,634	717,737
NET DECREASE IN CASH AND CASH EQUIVALENTS	(187,093)	(1,171,662)
Cash and cash equivalents - beginning of year	2,012,728	3,184,390
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,825,635	$ 2,012,728
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Non-cash financing activities:		
Paycheck Protection Program loan forgiveness	$ 1,648,141	$ -

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 145 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. The facilities of the Camp were sold in 2017 and the Directors authorized the dissolution of the Camp on January 29, 2020. Currently, the Camp is awaiting regulatory approvals for the dissolution.

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 principles 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 earnings on investments held in perpetuity 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 statements 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 and amounted to $745,194 and $704,808 as of June 30, 2022 and 2021, respectively. 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, and amounted to $35,000 and $500,000 as of June 30, 2022 and 2021, respectively. No discount was recorded as of June 30, 2022 and June 30, 2021, respectively. 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, 2022 and 2021, the Club determined that an allowance for doubtful contributions receivable of $39,156 and $6,410, respectively, was necessary for uncollectible contributions receivable. 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 under other liabilities in the accompanying consolidated statements of financial position and amounted to $0 and $44,250 as of June 30, 2022 and 2021, respectively.

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, utilities, supplies, and professional fees. The allocation method is based on a percentage of total Full Time Equivalent's ("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 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.

L. 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)

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

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 years ended June 30, 2022 and 2021, the Club received donated facilities in the amount of $210,000 and $210,000, respectively, and donated professional services in the amount of $170,262 and $1,849,657, respectively. The amounts are reflected as both revenue and expenses in the consolidated statements of activities.

O. Government grants are nonexchange transactions accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("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 $1,776,981 and $148,996 for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, the aggregate amount of conditional grants unrecorded in the accompanying consolidated financial statements was $0.

   Other revenue includes exchange transactions accounted for under FASB ASU 2014-09. Receivables are due in full, and revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Club in accordance with the contract. Revenue for performance obligations is satisfied over time and recognized as the services are provided. All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2022 and 2021. For the years ended June 30, 2022 and 2021, contracted services revenue for management services was $200,000 and $12,000, respectively, and for the food program was $132,851 and $20,960, respectively.

P. The Club leases real property under an operating lease expiring in 2033. The lease includes rent escalations and periods of free rent. Since the rent increases over time, the Club records an adjustment to rent expense each year to reflect its straight-lining policy. Straight-lining of rent gives rise to a timing difference that is reflected as deferred rent in the accompanying consolidated statements of financial position. As of June 30, 2022 and 2021, a straight-line liability of $78,341 and $0, respectively, was included in other liabilities in the accompanying consolidated statements of financial position.

Q. FASB ASU 2020-07, Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets ("Gifts-in-Kind") was adopted by the Club for the year ended June 30, 2022. The core guidance in ASU 2020-07 is to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit ("NFP") organizations, including transparency on how those assets are used and how they are valued. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFPs. The amendments did not change existing recognition and measurement requirements for those assets. The adoption of ASU 2020-07 did not result in changes to the Club's consolidated financial statements except for updated disclosures.

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 as of June 30:

	2022	2021
Cash and cash equivalents	$ 1,825,635	$ 2,012,728
Contributions receivable, net	780,194	1,198,398
Investments, net of maturities greater than 1 year	82,459,060	92,637,077
Less: (net assets with donor restrictions)	(26,519,925)	(31,195,259)
	$ 58,544,964	$ 64,652,944

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:

	2022	2021	Estimated Useful Lives
Land	$ 161,044	$ 161,044	-
Buildings and improvements	23,939,484	23,719,516	10-30 years
Equipment and vehicles	2,907,877	2,907,877	5 years
Total	27,008,405	26,788,437	
Less: accumulated depreciation	(23,223,470)	(22,281,477)	
Total net	$ 3,784,935	$ 4,506,960	

Depreciation expense amounted to $941,993, and $975,485 for the years ended June 30, 2022 and 2021, respectively.

NOTE 5 - INVESTMENTS

Investments consist of the following as of June 30:

	2022	2021
Money market funds	$ 5,756,985	$ 4,683,656
Common stocks	-	8,018,126
Mutual funds	50,853,271	50,465,897
Fixed income	6,441,493	8,750,695
Alternative investments	21,043,953	28,259,912
	$ 84,095,702	$ 100,178,286

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 years ended June 30, 2022 and 2021, the distribution for current spending amounted to approximately 4% of the fair value of the Club's investment portfolio as of June 30, 2022 and 2021 (any appropriations from endowment earnings are averaged over a period of the preceding five years). The components of investment activity are as follows for the years ended June 30:

	2022	2021
Interest and dividends	$ 857,996	$ 855,799
Realized gain	1,514,772	1,822,621
Unrealized (loss) gain	(14,528,754)	18,405,817
Investment advisory fees	(238,830)	(201,041)
	$ (12,394,816)	$ 20,883,196
Designation of investment return:		
Amount used for operations	$ 3,767,737	$ 3,524,344
Amount considered non-operating	(16,162,553)	17,358,852
	$ (12,394,816)	$ 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 model-derived valuations (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 the 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.

Financial assets carried at fair value as of June 30, 2022 are classified in the table as follows:

	Level 1	Level 2	Total
Investments Carried at Fair Value:			
Money market	$ 5,756,985	$ -	$ 5,756,985
Mutual funds	50,853,271	-	50,853,271
Fixed income	6,282,195	159,298	6,441,493
Total:	$62,892,451	$ 159,298	63,051,749
Alternative investments using NAV as practical expedient:			
Hedge event driven funds			8,477,636
Hedge long/short funds			10,168,069
Hedge relative value funds			2,398,248
Total Investments			$ 84,095,702

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

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

	Level 1	Level 2	Total
Investments Carried at Fair Value:			
Money market	$ 4,683,656	$ -	$ 4,683,656
Common stock	8,018,126	-	8,018,126
Mutual funds	50,465,897	-	50,465,897
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 as of June 30:

	2022	2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge event driven funds	$ 8,477,636	$ 9,386,710	None	Immediately	Up to 90 days
Hedge long/short funds	10,168,069	16,157,492	None	Immediately	Up to 90 days
Hedge relative value funds	2,398,248	2,715,710	None	Immediately	Up to 90 days
	$ 21,043,953	$ 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 years ended June 30, 2022 and 2021, the Club contributed $104,796 and $116,823, respectively.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with time and purpose restrictions as of June 30, 2022 and 2021 are restricted by donors for the following purposes or periods:

	2022	2021
Clubhouses- social, cultural, health and physical development	$ 334,205	$ 296,155
Other time and purpose restricted	802,918	1,303,191
Unappropriated endowment earnings	1,022,469	5,235,580
	$ 2,159,592	$ 6,834,926

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, 2022 and 2021, respectively.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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 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, 2022, are as follows:

	Donor Restricted Endowment		
	Endowment Activities	Held in Perpetuity	Total
Investment Activity:			
Interest and dividends	$ 618,650	$ -	$ 618,650
Realized and unrealized losses, net	(3,013,892)	-	(3,013,892)
Total investment activity	(2,395,242)	-	(2,395,242)
Amount appropriated by the Board	(1,817,869)	-	(1,817,869)
Total change	(4,213,111)	-	(4,213,111)
Balance, beginning of year	5,235,580	24,360,333	29,595,913
Balance, end of year	$ 1,022,469	$ 24,360,333	$ 25,382,802

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

	Donor Restricted Endowment		
	Endowment Activities	Held in Perpetuity	Total
Investment Activity:			
Interest and dividends	$ 654,022	$ -	$ 654,022
Realized and unrealized gains, 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 statements of financial position as of June 30, 2022 and 2021.

NOTE 9 - DONATED SERVICES AND FACILITIES

Donated services and facilities consisted of the following for the years ended June 30:

Nonfinancial Asset	2022	2021	Usage in Programs/Activities	Donor-imposed Restrictions	Fair Value Techniques
Legal services	$ 170,262	$ 1,849,657	Various administrative legal matters	No associated donor restriction	Based on current rates of legal services provided by law firm.
Space rental	210,000	210,000	Administration	No associated donor restriction	Based on fair value of rent, provided by donor.
Total	$ 380,262	$ 2,059,657			

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, per insured financial institution. As of June 30, 2022 and 2021, there were $1,637,775 and $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 expired March 31, 2022 and was renewed through May 31, 2023. The line of credit bears interest at the one-month London Interbank Offered Rate ("LIBOR") rate plus an "applicable margin rate" of 1.25 unless the Club 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, 2022 and 2021. As of December 6, 2022, there are no borrowings outstanding.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

A. The Club has entered into one operating lease agreement through fiscal 2033 for a facility. The lease includes rent escalations and periods of free rent. The difference between straight lining the rental charge and actual payments is reported as deferred rent. Future minimum payments for operating leases for the next five years ending after June 30, 2022 and thereafter are as follows:

2023	$ 244,575
2024	429,400
2025	441,212
2026	453,340
2027	472,472
Thereafter	3,233,529
	$ 5,274,528

Rent expense under the operating leases amounted to approximately $382,000 and $210,000 for the years ended June 30, 2022 and 2021, respectively.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

B. 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 an SBA authorized lender and received $1,627,794 in May 2020. Management has opted to account for the proceeds as a loan under FASB Accounting Standards Codification ("ASC") Topic 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. On August 30, 2021, the Club received forgiveness and recognized revenue amounting to $1,648,141.

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, 2022 and 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, 2022 and 2021 in accordance with FASB 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 December 6, 2022, 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, 2022

	Boys' Club of New York	Camp Cromwell	Consolidating Eliminations	Consolidated Total 2022
ASSETS				
Cash and cash equivalents	$ 1,689,080	$ 136,555	$ -	$ 1,825,635
Contributions receivable, net	780,194	-	-	780,194
Investments	76,425,611	7,670,091	-	84,095,702
Prepaid expenses and other assets	257,922	24,168	-	282,090
Due from related party	-	190,246	(190,246)	-
Property and equipment, net	3,784,935	-	-	3,784,935
TOTAL ASSETS	$ 82,937,742	$ 8,021,060	$ (190,246)	$ 90,768,556
LIABILITIES				
Accounts payable and accrued expenses	$ 546,399	$ -	$ -	$ 546,399
Other liabilities	78,341	-	-	78,341
Due to related party	190,246	-	(190,246)	-
Asset retirement obligation	-	17,133	-	17,133
TOTAL LIABILITIES	814,986	17,133	(190,246)	641,873
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Without donor restrictions				
Operations	51,817,896	8,021,060	-	59,838,956
Net investment in property and equipment	3,784,935	(17,133)	-	3,767,802
Total without donor restrictions	55,602,831	8,003,927	-	63,606,758
With donor restrictions				
Time and purpose restricted	2,159,592	-	-	2,159,592
Perpetual in nature	24,360,333	-	-	24,360,333
Total with donor restrictions				
TOTAL NET ASSETS	82,122,756	8,003,927	-	90,126,683
TOTAL LIABILITIES AND NET ASSETS	$ 82,937,742	$ 8,021,060	$ (190,246)	$ 90,768,556

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	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:							
Contributions	$ 2,485,433	$ 15,000	$ 2,500,433	$ -	$ 2,485,433	$ 15,000	$ 2,500,433
Donated services and facilities	380,262	-	380,262	-	380,262	-	380,262
Special events (net of direct expenses of $144,380)	1,284,236	-	1,284,236	-	1,284,236	-	1,284,236
Investment spending policy	1,949,868	1,817,869	3,767,737	-	1,949,868	1,817,869	3,767,737
Government contracts and other revenue	1,214,169	-	1,214,169	-	1,214,169	-	1,214,169
Paycheck Protection Program	1,648,141	-	1,648,141	-	1,648,141	-	1,648,141
Net assets released from restrictions	2,432,090	(2,432,090)	-	-	2,432,090	(2,432,090)	-
TOTAL OPERATING REVENUE AND SUPPORT	11,394,199	(599,221)	10,794,978	-	11,394,199	(599,221)	10,794,978
OPERATING EXPENSES:							
Program Services:							
Clubhouse activities	6,189,833	-	6,189,833	-	6,189,833	-	6,189,833
Camping	538,697	-	538,697	-	538,697	-	538,697
Physical education	241,980	-	241,980	-	241,980	-	241,980
Educational services	324,097	-	324,097	-	324,097	-	324,097
Food program and other	131,555	-	131,555	-	131,555	-	131,555
Total Program Services	7,426,162	-	7,426,162	-	7,426,162	-	7,426,162
Supporting Services:							
Management and general	1,910,006	-	1,910,006	-	1,910,006	-	1,910,006
Fundraising	1,329,416	-	1,329,416	-	1,329,416	-	1,329,416
Total Supporting Services	3,239,422	-	3,239,422	-	3,239,422	-	3,239,422
TOTAL OPERATING EXPENSES	10,665,584	-	10,665,584	-	10,665,584	-	10,665,584
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	728,615	(599,221)	129,394	-	728,615	(599,221)	129,394
NON-OPERATING ACTIVITIES:							
Investment activity over amount used for operations	(10,988,352)	(4,213,111)	(15,201,463)	(961,090)	(11,949,442)	(4,213,111)	(16,162,553)
Bequests	39,517	136,998	176,515	-	39,517	136,998	176,515
TOTAL NON-OPERATING ACTIVITIES	(10,948,835)	(4,076,113)	(15,024,948)	(961,090)	(11,909,925)	(4,076,113)	(15,986,038)
CHANGE IN TOTAL NET ASSETS	(10,220,220)	(4,675,334)	(14,895,554)	(961,090)	(11,181,310)	(4,675,334)	(15,856,644)
Net assets - beginning of year	65,823,051	31,195,259	97,018,310	8,965,017	74,788,068	31,195,259	105,983,327
NET ASSETS - END OF YEAR	$ 55,602,831	$ 26,519,925	$ 82,122,756	$ 8,003,927	$ 63,606,758	$ 26,519,925	$ 90,126,683