



THE BOYS' CLUB OF NEW YORK



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

YEARS ENDED JUNE 30, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

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

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 statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years 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, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 2P to the consolidated financial statements, the Club changed its method of accounting for leases as a result of the adoption of Accounting Standards Codification Topic 842, *Leases*, effective July 1, 2022, under the modified retrospective transition method. Our opinion is not modified with respect to this matter.

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.

Mayer Hoffman McCann CPAs
The New York Practice of Mayer Hoffman McCann P.C.
An Independent CPA Firm

685 Third Avenue
New York, NY 10017

Phone: 212.503.8800
mhmcpa.com





In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 17 and 18) as of and for the year ended June 30, 2023, 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
October 25, 2023

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2E and 10)	\$ 1,521,134	\$ 1,825,635
Contributions receivable, net (Notes 2C and 2D)	98,641	780,194
Investments (Notes 2F, 5 and 6)	89,786,907	84,095,702
Prepaid expenses and other assets	433,443	282,090
Property and equipment, net (Notes 2G and 4)	3,102,157	3,784,935
Operating lease right-of-use assets (Notes 2O, 2P and 13)	4,019,457	-
Finance lease right-of-use assets (Notes 2O, 2P and 13)	32,523	-
TOTAL ASSETS	\$ 98,994,262	\$ 90,768,556
LIABILITIES		
Accounts payable and accrued expenses	\$ 554,370	\$ 546,399
Other liabilities	-	78,341
Asset retirement obligation	17,133	17,133
Operating lease liabilities (Notes 2O, 2P and 13)	4,318,220	-
Finance lease liabilities (Notes 2O, 2P and 13)	32,940	-
TOTAL LIABILITIES	4,922,663	641,873
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS (Note 2B)		
Without donor restrictions		
Operations	63,558,919	59,838,956
Net investment in property and equipment	2,785,844	3,767,802
Total without donor restrictions	66,344,763	63,606,758
With donor restrictions		
Time and purpose restricted (Note 8)	3,366,503	2,159,592
Perpetual in nature (Note 8)	24,360,333	24,360,333
Total with donor restrictions	27,726,836	26,519,925
TOTAL NET ASSETS	94,071,599	90,126,683
TOTAL LIABILITIES AND NET ASSETS	\$ 98,994,262	\$ 90,768,556

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	For the Year Ended June 30, 2023			For the Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
OPERATING REVENUE AND SUPPORT (Note 2J):						
Contributions (Notes 2C and 2D)	\$ 1,760,085	\$ 50,000	\$ 1,810,085	\$ 2,485,433	\$ 15,000	\$ 2,500,433
Donated services and facilities (Notes 2M and 9)	76,137	-	76,137	380,262	-	380,262
Special events (net of direct expenses of \$312,108 and \$144,380, respectively)	3,241,014	-	3,241,014	1,284,236	-	1,284,236
Investment spending policy (Notes 5 and 8)	2,239,511	1,798,485	4,037,996	1,949,868	1,817,869	3,767,737
Government contracts and other revenue (Note 2N)	1,311,100	-	1,311,100	1,214,169	-	1,214,169
Paycheck Protection Program loan forgiveness (Note 12C)	-	-	-	1,648,141	-	1,648,141
Net assets released from restrictions (Note 2B)	2,550,196	(2,550,196)	-	2,432,090	(2,432,090)	-
TOTAL OPERATING REVENUE AND SUPPORT	<u>11,178,043</u>	<u>(701,711)</u>	<u>10,476,332</u>	<u>11,394,199</u>	<u>(599,221)</u>	<u>10,794,978</u>
OPERATING EXPENSES (Notes 2I and 2J):						
Program Services:						
Clubhouse activities	6,736,943	-	6,736,943	6,189,833	-	6,189,833
Camping	672,122	-	672,122	538,697	-	538,697
Physical education	296,257	-	296,257	241,980	-	241,980
Educational services	418,190	-	418,190	324,097	-	324,097
Food program and other	239,050	-	239,050	131,555	-	131,555
Community expansion programming	85,591	-	85,591	-	-	-
Total Program Services	<u>8,448,153</u>	<u>-</u>	<u>8,448,153</u>	<u>7,426,162</u>	<u>-</u>	<u>7,426,162</u>
Supporting Services:						
Management and general (Notes 2M and 9)	2,448,328	-	2,448,328	1,910,006	-	1,910,006
Fundraising	840,461	-	840,461	1,329,416	-	1,329,416
Total Supporting Services	<u>3,288,789</u>	<u>-</u>	<u>3,288,789</u>	<u>3,239,422</u>	<u>-</u>	<u>3,239,422</u>
TOTAL OPERATING EXPENSES	<u>11,736,942</u>	<u>-</u>	<u>11,736,942</u>	<u>10,665,584</u>	<u>-</u>	<u>10,665,584</u>
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	<u>(558,899)</u>	<u>(701,711)</u>	<u>(1,260,610)</u>	<u>728,615</u>	<u>(599,221)</u>	<u>129,394</u>
NON-OPERATING ACTIVITIES (Note 2J):						
Investment activity over amount used for operations (Note 5)	3,228,015	1,908,622	5,136,637	(11,949,442)	(4,213,111)	(16,162,553)
Bequests (Note 2L)	68,889	-	68,889	39,517	136,998	176,515
TOTAL NON-OPERATING ACTIVITIES	<u>3,296,904</u>	<u>1,908,622</u>	<u>5,205,526</u>	<u>(11,909,925)</u>	<u>(4,076,113)</u>	<u>(15,986,038)</u>
CHANGE IN TOTAL NET ASSETS	2,738,005	1,206,911	3,944,916	(11,181,310)	(4,675,334)	(15,856,644)
Net assets - beginning of year	63,606,758	26,519,925	90,126,683	74,788,068	31,195,259	105,983,327
NET ASSETS - END OF YEAR	<u>\$ 66,344,763</u>	<u>\$ 27,726,836</u>	<u>\$ 94,071,599</u>	<u>\$ 63,606,758</u>	<u>\$ 26,519,925</u>	<u>\$ 90,126,683</u>

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, 2023 AND 2022

	For the Year Ended June 30, 2023				For the Year Ended June 30, 2022					
	Program Services	Supporting Services		Total Supporting Services	2023 Total	Program Services	Supporting Services		Total Supporting Services	2022 Total
		Management & General	Fundraising				Management & General	Fundraising		
Personnel service costs	\$ 4,348,056	\$ 879,204	\$ 406,788	\$ 1,285,992	\$ 5,634,048	\$ 3,367,995	\$ 862,240	\$ 556,040	\$ 1,418,280	\$ 4,786,275
Payroll taxes and benefits (Note 7)	955,573	326,914	120,610	447,524	1,403,097	827,694	253,880	175,516	429,396	1,257,090
Occupancy (Notes 2M, 2O and 13)	356,982	550,863	67,513	618,376	975,358	483,053	263,893	88,662	352,555	835,608
Professional fees (Notes 2M and 9)	236,355	249,604	84,354	333,958	570,313	312,441	173,304	180,354	353,658	666,099
Repairs, maintenance and equipment	396,169	16,936	-	16,936	413,105	348,100	23,614	87	23,701	371,801
Insurance	206,057	77,027	47,014	124,041	330,098	245,457	85,165	56,506	141,671	387,128
Printing and publications	1,369	28,042	1,438	29,480	30,849	4,296	987	41,584	42,571	46,867
Information technology	58,535	60,052	42,409	102,461	160,996	57,814	12,190	27,779	39,969	97,783
Travel and transportation	59,256	3,777	333	4,110	63,366	44,924	7,324	1,668	8,992	53,916
Telephone and telecommunications	54,137	34,329	13,652	47,981	102,118	90,205	14,363	15,765	30,128	120,333
Office/program supplies, etc.	535,773	192,305	12,974	205,279	741,052	541,486	130,657	30,039	160,696	702,182
Food	249,399	152	-	152	249,551	123,898	-	-	-	123,898
Event rental and production	49,058	7,188	351,940	359,128	408,186	54,062	-	299,796	299,796	353,858
Bad debt	-	2,335	-	2,335	2,335	-	65,133	-	65,133	65,133
Amortization - finance leases (Note 13)	14,522	4,468	3,369	7,837	22,359	-	-	-	-	-
Interest - finance leases (Note 13)	752	231	175	406	1,158	-	-	-	-	-
Depreciation (Note 4)	926,160	14,901	-	14,901	941,061	924,737	17,256	-	17,256	941,993
Subtotal	8,448,153	2,448,328	1,152,569	3,600,897	12,049,050	7,426,162	1,910,006	1,473,796	3,383,802	10,809,964
Less: Special event direct expenses	-	-	(312,108)	(312,108)	(312,108)	-	-	(144,380)	(144,380)	(144,380)
TOTAL EXPENSES	\$ 8,448,153	\$ 2,448,328	\$ 840,461	\$ 3,288,789	\$ 11,736,942	\$ 7,426,162	\$ 1,910,006	\$ 1,329,416	\$ 3,239,422	\$ 10,665,584

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

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,944,916	\$ (15,856,644)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	941,061	941,993
Paycheck Protection Program loan forgiveness	-	(1,648,141)
Net realized and unrealized (gain) loss on investments	(8,117,861)	13,013,982
Bad debt	2,335	65,133
Amortization of finance lease	22,359	-
Reduction in carrying amount of right-of-use assets - operating leases	220,422	-
Sub-total	(2,986,768)	(3,483,677)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	679,218	353,071
Prepaid expenses and other assets	(151,353)	253,926
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	7,971	(77,509)
Deferred revenue	-	(22,517)
Asset retirement obligation	-	(59,021)
Net Cash Used in Operating Activities	(2,450,932)	(3,035,727)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(59,448,282)	(15,545,695)
Proceeds from sales of investments	61,874,938	18,614,297
Purchases of property and equipment	(258,283)	(219,968)
Net Cash Provided by Investing Activities	2,168,373	2,848,634
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(21,942)	-
Net Cash Used in Financing Activities	(21,942)	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(304,501)	(187,093)
Cash and cash equivalents - beginning of year	1,825,635	2,012,728
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,521,134	\$ 1,825,635
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 1,158	\$ -
Non-cash financing activities:		
Paycheck Protection Program loan forgiveness	\$ -	\$ 1,648,141

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

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 146 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") which 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 net 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 statements 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 with donor restrictions, 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.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 \$98,641 and \$745,194 as of June 30, 2023 and 2022, 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 as of June 30, 2022. There were no non-current contributions as of June 30, 2023 and no discount was recorded as of June 30, 2023 and 2022. The discounts on those amounts, if any, 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, 2023 and 2022, the Club determined that an allowance for doubtful contributions receivable of \$21,212 and \$39,156, 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 statements 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 other liabilities in the accompanying consolidated statements of financial position, if any. There were no cash advances recorded as of June 30, 2023 and 2022.

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 Equivalents ("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 recognizes bequests and legacies when wills have passed probate and the sum is certain.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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, 2022, the Club received donated facilities in the amount of \$210,000, and donated professional services in the amount of \$76,137 and \$170,262, respectively, for the years ended June 30, 2023 and 2022. The amounts are reflected as both revenue and expenses in the consolidated statements of activities

N. 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 \$0 and \$1,776,981 for the years ended June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, there were no unrecorded conditional grants.

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, 2023 and 2022. For the years ended June 30, 2023 and 2022, contracted services revenue for management services was \$200,000, and for the food program was \$176,294 and \$132,851, respectively.

O. The Club determines if an arrangement is or contains a lease at inception. Leases are included in operating and finance lease right-of-use ("ROU") assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of future minimum lease payments over the lease term. The Club does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expenses on a straight-line basis over the lease term.

P. The Club adopted FASB ASU 2016-02, *Leases*, (Topic 842) for the year ended June 30, 2023. This new standard introduces a new lease model that requires the recognition of lease assets and lease liabilities on the consolidated statement of financial position as of June 30, 2023 and the disclosure of key information about leasing arrangements. The Club adopted Topic 842 using July 1, 2022 as the date of initial adoption, which required the Club to recognize lease assets and liabilities as of that date. The adoption of Topic 842 was done using a modified retrospective approach that does not require restating prior periods, and as such, the adoption had no impact to the prior year financial statements, including the change in net assets as previously reported.

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:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,521,134	\$ 1,825,635
Contributions receivable, net	98,641	780,194
Investments, net of maturities greater than 1 year	79,968,378	82,459,060
Less: net assets with donor restrictions	<u>(27,726,836)</u>	<u>(26,519,925)</u>
	<u>\$ 53,861,317</u>	<u>\$ 58,544,964</u>

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).

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 - PROPERTY AND EQUIPMENT, NET

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

	<u>2023</u>	<u>2022</u>	<u>Estimated Useful Lives</u>
Land	\$ 161,044	\$ 161,044	-
Buildings and improvements	24,154,196	23,939,484	10-30 years
Equipment and vehicles	<u>2,951,448</u>	<u>2,907,877</u>	5 years
Total	27,266,688	27,008,405	
Less: accumulated depreciation	<u>(24,164,531)</u>	<u>(23,223,470)</u>	
Total net	<u>\$ 3,102,157</u>	<u>\$ 3,784,935</u>	

Depreciation expense amounted to \$941,061 and \$941,993 for the years ended June 30, 2023 and 2022, respectively.

NOTE 5 - INVESTMENTS

Investments consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 13,290,997	\$ 5,756,985
Mutual funds	48,277,530	50,853,271
Fixed income	12,380,972	6,441,493
Alternative investments	<u>15,837,408</u>	<u>21,043,953</u>
	<u>\$ 89,786,907</u>	<u>\$ 84,095,702</u>

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, 2023 and 2022, the distribution for current spending amounted to approximately 2% of the fair value of the Club's investment portfolio as of June 30, 2023 and 2022 (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:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 1,230,670	\$ 857,996
Realized gain	1,187,643	1,514,772
Unrealized gain (loss)	6,930,218	(14,528,754)
Investment advisory fees	<u>(173,898)</u>	<u>(238,830)</u>
	<u>\$ 9,174,633</u>	<u>\$ (12,394,816)</u>
Designation of investment return:		
Amount used for operations	\$ 4,037,996	\$ 3,767,737
Amount considered non-operating	<u>5,136,637</u>	<u>(16,162,553)</u>
	<u>\$ 9,174,633</u>	<u>\$ (12,394,816)</u>

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 – INVESTMENTS (Continued)

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, fixed income and money market funds are valued using market prices in active markets (Level 1). Fixed income funds valued using model-derived valuations are categorized as Level 2.

The Club's alternative investments are valued using Net Asset Value ("NAV") as a 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, 2023 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments Carried at Fair Value:			
Money market	\$ 13,290,997	\$ -	\$ 13,290,997
Mutual funds	48,277,530	-	48,277,530
Fixed income	<u>12,206,929</u>	<u>174,043</u>	<u>12,380,972</u>
Total:	<u>\$ 73,775,456</u>	<u>\$ 174,043</u>	73,949,499
Alternative investments using NAV as practical expedient:			
Hedge funds			<u>15,837,408</u>
Total Investments			<u>\$ 89,786,907</u>

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments Carried at Fair Value:			
Money market	\$ 5,756,985	\$ -	\$ 5,756,985
Mutual funds	50,853,271	-	50,853,271
Fixed income	<u>6,282,195</u>	<u>159,298</u>	<u>6,441,493</u>
Total:	<u>\$ 62,892,451</u>	<u>\$ 159,298</u>	63,051,749
Alternative investments using NAV as practical expedient:			
Hedge funds			<u>21,043,953</u>
Total Investments			<u>\$ 84,095,702</u>

The following investments are alternative investments valued at NAV, which equals fair value as of June 30:

	<u>2023</u>	<u>2022</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hedge funds	\$ 15,837,408	\$ 21,043,953	None	Monthly, Quarterly, or Annually	Up to 90 days

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, 2023 and 2022, the Club contributed \$105,516 and \$104,796, respectively.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with time and purpose restrictions as of June 30, 2023 and 2022 are restricted by donors for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Clubhouses- social, cultural, health and physical development	\$ 158,796	\$ 334,205
Other time and purpose restricted	276,616	802,918
Unappropriated endowment earnings	<u>2,931,091</u>	<u>1,022,469</u>
	<u>\$ 3,366,503</u>	<u>\$ 2,159,592</u>

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 both June 30, 2023 and 2022.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023, are as follows:

	<u>Donor Restricted Endowment</u>		
	<u>Endowment Activities</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Investment Activity:			
Interest and dividends	\$ 1,049,320	\$ -	\$ 1,049,320
Realized and unrealized gains, net	<u>2,657,787</u>	<u>-</u>	<u>2,657,787</u>
Total investment activity	3,707,107	-	3,707,107
Amount appropriated by the Board	<u>(1,798,485)</u>	<u>-</u>	<u>(1,798,485)</u>
Total change	1,908,622	-	1,908,622
Balance, beginning of year	<u>1,022,469</u>	<u>24,360,333</u>	<u>25,382,802</u>
Balance, end of year	<u>\$ 2,931,091</u>	<u>\$ 24,360,333</u>	<u>\$ 27,291,424</u>

Changes in endowment net assets for the year ended June 30, 2022, are as follows:

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

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 both June 30, 2023 and 2022.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9 - DONATED SERVICES AND FACILITIES

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

<u>Nonfinancial Asset</u>	<u>2023</u>	<u>2022</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Legal services	\$ 76,137	\$ 170,262	Various administrative legal matters	No associated donor restriction	Based on current rates of legal services provided by law firm
Space rental	-	210,000	Administration	No associated donor restriction	Based on fair value of rent, provided by donor
Total	<u>\$ 76,137</u>	<u>\$ 380,262</u>			

NOTE 10 - CONCENTRATIONS

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, 2023 and 2022, there was \$1,270,173 and \$1,637,775, respectively, of cash and cash equivalents held by one bank that exceeded FDIC limits.

NOTE 11 - LINE OF CREDIT

The Club has a line of credit with a maximum borrowing limit in the amount of \$5,000,000. 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%. There were no outstanding borrowings as of June 30, 2023 and 2022. As of October 25, 2023, there are no borrowings outstanding.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

- A. 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. Two of the cases are being defended by the Club's insurance carrier at the time of the complaint and the other two are being defended by the Club's legal counsel. All claims and assessments have not been fully adjudicated. As of June 30, 2023 and 2022, management cannot determine the final outcome of these claims and has not recorded any liability in the consolidated financial statements.
- B. The Club believes it has no uncertain tax positions as of June 30, 2023 and 2022, in accordance with FASB Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- C. 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 BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

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 ASC Topic 470 until the loan is, in part or wholly forgiven, and the Club has been "legally released." During the year June 30, 2022, 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 for the year ended June 30, 2022.

NOTE 13 – RIGHT-OF-USE ASSET AND LIABILITIES

The Club leases office space and copiers under operating and finance lease arrangements through March 2033 for which expense is recognized on a straight-line basis over the lease term. The Club assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As a result, adopting FASB ASC 842 had no impact to the prior year consolidated statement of financial position information.

No comparative information is provided for the amounts reported on the consolidated statement of financial position as of June 30, 2022 since the Club used the modified retrospective method of transition that does not require restating the prior period.

As of June 30, 2023, the right-of-use ("ROU") assets had a balance of \$4,051,980, of which \$4,019,457 is related to operating leases and \$32,523 to finance leases. The lease liabilities totaled \$4,351,160 of which \$4,318,220 is related to operating leases and \$32,940 to finance leases. The ROU assets and liabilities were calculated utilizing risk-free rates (ranging from 2.84% to 2.88%), according to the Club's elected policy. The weighted average of the remaining lease term for operating and finance leases is 9.53 and 1.26 years, respectively. The weighted average discount rate amounted to 2.88% and 2.84% for operating and finance leases, respectively.

The following summarizes the line items in the consolidated statement of functional expenses which include the components of lease expense for the year ended June 30, 2023:

Operating lease expense included in occupancy costs	<u>\$ 428,422</u>
Finance lease costs:	
Amortization of lease assets	\$ 22,359
Interest on lease liabilities	<u>1,158</u>
Total finance lease costs	<u>\$ 23,517</u>

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 272,259
Operating cash flows from finance leases	1,158
Financing cash flows from finance leases	21,942
Lease assets obtained in exchange for lease obligations:	
Operating leases	\$ 4,398,940
Finance leases	54,882

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 13 – RIGHT-OF-USE ASSETS AND LIABILITIES (Continued)

Future minimum payments for non-cancelable leases for the next five years ending after June 30, 2023 and thereafter are as follows:

	<u>Operating Leases</u>	<u>Finance Leases</u>	<u>Total</u>
2024	\$ 452,265	\$ 25,200	\$ 477,465
2025	463,889	8,400	472,289
2026	475,832	-	475,832
2027	473,307	-	473,307
2028	494,454	-	494,454
Thereafter	<u>2,624,047</u>	<u>-</u>	<u>2,624,047</u>
Total lease payments	4,983,794	33,600	5,017,394
Less: Present value discount	<u>(665,574)</u>	<u>(660)</u>	<u>(666,234)</u>
Lease obligation	<u>\$ 4,318,220</u>	<u>\$ 32,940</u>	<u>\$ 4,351,160</u>

For the year ended June 30, 2022, leases were accounted for under ASC Topic 840. The total rent expense related to such leases for the year ended June 30, 2022 amounted to approximately \$382,000 and is included in occupancy costs in the accompanying consolidated statements of functional expenses.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through October 25, 2023, 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, 2023

	Boys' Club of New York	Camp Cromwell	Consolidating Eliminations	Consolidated Total
ASSETS				
Cash and cash equivalents	\$ 1,436,597	\$ 84,537	\$ -	\$ 1,521,134
Contributions receivable, net	98,641	-	-	98,641
Investments	81,146,839	8,640,068	-	89,786,907
Prepaid expenses and other assets	409,275	24,168	-	433,443
Due from related party	-	242,264	(242,264)	-
Property and equipment, net	3,102,157	-	-	3,102,157
Operating lease right-of-use assets	4,019,457	-	-	4,019,457
Finance lease right-of-use assets	32,523	-	-	32,523
TOTAL ASSETS	\$ 90,245,489	\$ 8,991,037	\$ (242,264)	\$ 98,994,262
LIABILITIES				
Accounts payable and accrued expenses	\$ 554,370	\$ -	\$ -	\$ 554,370
Due to related party	242,264	-	(242,264)	-
Asset retirement obligation	-	17,133	-	17,133
Operating lease liabilities	4,318,220	-	-	4,318,220
Finance lease liabilities	32,940	-	-	32,940
TOTAL LIABILITIES	5,147,794	17,133	(242,264)	4,922,663
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Without donor restrictions				
Operations	54,567,882	8,991,037	-	63,558,919
Net investment in property and equipment	2,802,977	(17,133)	-	2,785,844
Total without donor restrictions	57,370,859	8,973,904	-	66,344,763
With donor restrictions				
Time and purpose restricted	3,366,503	-	-	3,366,503
Perpetual in nature	24,360,333	-	-	24,360,333
Total with donor restrictions				
TOTAL NET ASSETS	85,097,695	8,973,904	-	94,071,599
TOTAL LIABILITIES AND NET ASSETS	\$ 90,245,489	\$ 8,991,037	\$ (242,264)	\$ 98,994,262

See independent auditors' report.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	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	\$ 1,760,085	\$ 50,000	\$ 1,810,085	\$ -	\$ 1,760,085	\$ 50,000	\$ 1,810,085
Donated services and facilities	76,137	-	76,137	-	76,137	-	76,137
Special events (net of direct expenses of \$312,108)	3,241,014	-	3,241,014	-	3,241,014	-	3,241,014
Investment spending policy	2,239,511	1,798,485	4,037,996	-	2,239,511	1,798,485	4,037,996
Government contracts and other revenue	1,311,100	-	1,311,100	-	1,311,100	-	1,311,100
Net assets released from restrictions	2,550,196	(2,550,196)	-	-	2,550,196	(2,550,196)	-
TOTAL OPERATING REVENUE AND SUPPORT	<u>11,178,043</u>	<u>(701,711)</u>	<u>10,476,332</u>	<u>-</u>	<u>11,178,043</u>	<u>(701,711)</u>	<u>10,476,332</u>
OPERATING EXPENSES:							
Program Services:							
Clubhouse activities	6,736,943	-	6,736,943	-	6,736,943	-	6,736,943
Camping	672,122	-	672,122	-	672,122	-	672,122
Physical education	296,257	-	296,257	-	296,257	-	296,257
Educational services	418,190	-	418,190	-	418,190	-	418,190
Food program and other	239,050	-	239,050	-	239,050	-	239,050
Community expansion programming	85,591	-	85,591	-	85,591	-	85,591
Total Program Services	<u>8,448,153</u>	<u>-</u>	<u>8,448,153</u>	<u>-</u>	<u>8,448,153</u>	<u>-</u>	<u>8,448,153</u>
Supporting Services:							
Management and general	2,448,328	-	2,448,328	-	2,448,328	-	2,448,328
Fundraising	840,461	-	840,461	-	840,461	-	840,461
Total Supporting Services	<u>3,288,789</u>	<u>-</u>	<u>3,288,789</u>	<u>-</u>	<u>3,288,789</u>	<u>-</u>	<u>3,288,789</u>
TOTAL OPERATING EXPENSES	<u>11,736,942</u>	<u>-</u>	<u>11,736,942</u>	<u>-</u>	<u>11,736,942</u>	<u>-</u>	<u>11,736,942</u>
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	<u>(558,899)</u>	<u>(701,711)</u>	<u>(1,260,610)</u>	<u>-</u>	<u>(558,899)</u>	<u>(701,711)</u>	<u>(1,260,610)</u>
NON-OPERATING ACTIVITIES:							
Investment activity over amount used for operations	2,258,038	1,908,622	4,166,660	969,977	3,228,015	1,908,622	5,136,637
Bequests	68,889	-	68,889	-	68,889	-	68,889
TOTAL NON-OPERATING ACTIVITIES	<u>2,326,927</u>	<u>1,908,622</u>	<u>4,235,549</u>	<u>969,977</u>	<u>3,296,904</u>	<u>1,908,622</u>	<u>5,205,526</u>
CHANGE IN TOTAL NET ASSETS	<u>1,768,028</u>	<u>1,206,911</u>	<u>2,974,939</u>	<u>969,977</u>	<u>2,738,005</u>	<u>1,206,911</u>	<u>3,944,916</u>
Net assets - beginning of year	<u>55,602,831</u>	<u>26,519,925</u>	<u>82,122,756</u>	<u>8,003,927</u>	<u>63,606,758</u>	<u>26,519,925</u>	<u>90,126,683</u>
NET ASSETS - END OF YEAR	<u>\$ 57,370,859</u>	<u>\$ 27,726,836</u>	<u>\$ 85,097,695</u>	<u>\$ 8,973,904</u>	<u>\$ 66,344,763</u>	<u>\$ 27,726,836</u>	<u>\$ 94,071,599</u>

See independent auditors' report.