



Consolidated Financial Statements
(Together with Independent Auditors' Report)
Years Ended September 30, 2016 and 2015

www.bcny.org

 /BoysClubNewYork



M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

THE BOYS' CLUB OF NEW YORK

CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses.....	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-17
Supplementary Information:	
Consolidating Schedules of Financial Position.....	18
Consolidating Schedules of Activities	19-20
Consolidating Schedules of Functional Expenses	21-22

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Boys' Club of New York (the "Boys' Club") and Camp Cromwell, Inc. (the "Subsidiary" or "Camp") (collectively, the "Club") which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Boys' Club of New York and Subsidiary as of September 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of The Boys' Club of New York and Subsidiary as a whole. The consolidating schedules (shown on pages 18-22) are presented for the purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual Subsidiary, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth UP

New York, NY
February 2, 2017

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents (Notes 2D and 10A)	\$ 84,516	\$ 505,065
Contributions receivable, net (Notes 2F and 7)	306,150	508,971
Investment redemption receivable (Note 4)	20,649	409,240
Investments (Notes 2E, 4 and 5)	49,666,199	52,353,589
Prepaid expenses and other assets	377,753	532,100
Beneficial interest in charitable remainder unitrust (Note 2M)	1,467,149	1,372,711
Property and equipment, net (Notes 2G and 3)	15,876,322	17,372,165
 TOTAL ASSETS	 \$ 67,798,738	 \$ 73,053,841
 LIABILITIES		
Accounts payable and accrued expenses	\$ 125,917	\$ 761,597
Deferred revenue (Note 2H)	722,134	618,000
Accrued pension benefit obligation (Note 6)	3,387,524	3,145,955
Asset retirement obligation (Note 9)	846,675	822,015
 TOTAL LIABILITIES	 5,082,250	 5,347,567
 NET ASSETS (Note 2B)		
Unrestricted		
Available for operations	18,182,649	24,383,090
Net investment in property and equipment	15,029,647	16,550,150
Total unrestricted	33,212,296	40,933,240
Temporarily restricted (Note 8)	5,143,859	2,486,524
Permanently restricted (Note 8)	24,360,333	24,286,510
 TOTAL NET ASSETS	 62,716,488	 67,706,274
 TOTAL LIABILITIES AND NET ASSETS	 \$ 67,798,738	 \$ 73,053,841

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 SEPTEMBER 30, 2016 AND 2015

	For the Year Ended September 30, 2016				For the Year Ended September 30, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Total 2015	Unrestricted	Temporarily Restricted	Permanently Restricted
OPERATING REVENUE AND SUPPORT (Note 2J):								
Contributions (Notes 2C and 2N)	\$ 1,394,049	\$ 521,878	\$ -	\$ 1,915,927	\$ 2,278,320	\$ 1,904,255	\$ 374,065	\$ -
Special events (net of direct expenses of \$409,544 and \$533,194 for 2016 and 2015, respectively)	3,386,738	-	-	3,386,738	4,382,508	4,382,508	-	-
Investment spending policy (Notes 2B and 4)	3,151,812	664,508	-	3,816,320	4,557,287	3,656,967	900,320	-
Food program, program fees and other	1,091,109	-	-	1,091,109	929,792	929,792	-	-
Net assets released from restrictions (Note 2B)	1,193,208	(1,193,208)	-	-	-	1,438,693	(1,438,693)	-
TOTAL OPERATING REVENUE AND SUPPORT	10,216,916	(6,822)	-	10,210,094	12,147,907	12,312,215	(164,308)	-
OPERATING EXPENSES (Notes 2I and 2J):								
Program Services:								
Clubhouse activities	8,326,104	-	-	8,326,104	8,353,997	8,353,997	-	-
Camping	818,101	-	-	818,101	1,071,019	1,071,019	-	-
Physical education	628,107	-	-	628,107	675,922	675,922	-	-
Educational services	1,821,424	-	-	1,821,424	1,680,102	1,680,102	-	-
Food program and other	382,735	-	-	382,735	371,134	371,134	-	-
Total Program Services	11,976,471	-	-	11,976,471	12,152,174	12,152,174	-	-
Supporting Services:								
Management and general	1,361,123	-	-	1,361,123	1,648,175	1,648,175	-	-
Fund raising	1,083,317	-	-	1,083,317	1,344,440	1,344,440	-	-
Total Supporting Services	2,444,440	-	-	2,444,440	2,992,615	2,992,615	-	-
TOTAL OPERATING EXPENSES	14,420,911	-	-	14,420,911	15,144,789	15,144,789	-	-
DEFICIT OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(4,203,995)	(6,822)	-	(4,210,817)	(2,996,882)	(2,832,574)	(164,308)	-
NON-OPERATING ACTIVITIES (Note 2J):								
Investment activity below amount used for operations (Note 4)	(3,346,689)	2,569,719	-	(776,970)	(6,601,228)	(3,767,726)	(2,833,502)	-
Endowment contributions (Note 2B)	-	-	73,823	73,823	24,523	-	-	24,523
Bequests	213,808	-	-	213,808	-	-	-	-
Change in value of beneficial trust (Note 2M)	-	94,438	-	94,438	(98,458)	-	(98,458)	-
TOTAL NON-OPERATING ACTIVITIES	(3,132,881)	2,664,157	73,823	(394,901)	(6,675,163)	(3,767,726)	(2,931,960)	24,523
CHANGE IN NET ASSETS BEFORE PENSION RELATED CHANGES AND OTHER ITEMS	(7,336,876)	2,657,335	73,823	(4,605,718)	(9,672,045)	(6,600,300)	(3,096,268)	24,523
Pension related changes other than net periodic pension costs (Note 6)	(359,408)	-	-	(359,408)	(505,105)	(505,105)	-	-
Increase in asset retirement obligation (Note 9)	(24,660)	-	-	(24,660)	(23,942)	(23,942)	-	-
CHANGE IN TOTAL NET ASSETS	(7,720,944)	2,657,335	73,823	(4,989,786)	(10,201,092)	(7,129,347)	(3,096,268)	24,523
Net assets - beginning of year	40,933,240	2,486,524	24,286,510	67,706,274	77,907,366	48,062,587	5,582,792	24,261,987
NET ASSETS - END OF YEAR	\$ 33,212,296	\$ 5,143,859	\$ 24,360,333	\$ 62,716,488	\$ 67,706,274	\$ 40,933,240	\$ 2,486,524	\$ 24,286,510

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 SEPTEMBER 30, 2016 AND 2015

	Year Ended September 30, 2016					Year Ended September 30, 2015				
	Supporting Services				Total 2016	Total 2015	Supporting Services			Total Supporting Services
	Program Services	Management & General	Fundraising	Total Supporting Services			Program Services	Management & General	Fundraising	
Personnel service costs	\$ 5,942,036	\$ 592,803	\$ 632,095	\$ 1,224,898	\$ 7,166,934	\$ 7,451,021	\$ 6,091,744	\$ 625,513	\$ 733,764	\$ 1,359,277
Payroll taxes and benefits (Note 6)	1,786,475	232,290	194,016	426,306	2,212,781	2,094,708	1,680,348	229,807	184,553	414,360
Utilities	392,325	7,746	5,814	13,560	405,885	638,131	627,651	7,860	2,620	10,480
Professional fees (Note 2N)	77,507	189,562	25	189,587	267,094	317,079	91,434	184,916	40,729	225,645
Repairs, maintenance and equipment	302,483	11,245	2,736	13,981	316,464	262,835	251,246	8,835	2,754	11,589
Insurance	271,360	69,819	8,141	77,960	349,320	387,935	295,925	83,132	8,878	92,010
Printing and publications	95,171	4,282	48,108	52,390	147,561	138,972	26,739	1,500	110,733	112,233
Information technology	4,232	110,076	-	110,076	114,308	108,842	879	104,043	3,920	107,963
Travel and transportation	125,867	14,860	4,168	19,028	144,895	138,993	120,003	15,812	3,178	18,990
Telephone and telecommunications	18,947	62,280	-	62,280	81,227	96,224	16,113	80,111	-	80,111
Office/program supplies, etc.	815,165	18,796	140,849	159,645	974,810	1,204,622	852,556	146,351	205,715	352,066
Tuition assistance	7,418	-	-	-	7,418	11,046	11,046	-	-	-
Food	421,601	-	-	-	421,601	370,001	370,001	-	-	-
Bad debt	-	-	-	-	-	112,700	-	112,700	-	112,700
Depreciation (Note 3)	<u>1,715,884</u>	<u>47,364</u>	<u>47,365</u>	<u>94,729</u>	<u>1,810,613</u>	<u>1,811,680</u>	<u>1,716,489</u>	<u>47,595</u>	<u>47,596</u>	<u>95,191</u>
TOTAL EXPENSES	\$ 11,976,471	\$ 1,361,123	\$ 1,083,317	\$ 2,444,440	\$ 14,420,911	\$ 15,144,789	\$ 12,152,174	\$ 1,648,175	\$ 1,344,440	\$ 2,992,615

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 SEPTEMBER 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (4,989,786)	\$ (10,201,092)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	1,810,613	1,811,680
Pension related changes other than net periodic pension costs	359,408	505,105
Bad debt	-	112,700
Change in value of beneficial interest in charitable remainder unitrust	(94,438)	98,458
Increase in asset retirement obligation	24,660	23,942
Net realized and unrealized (gain) loss on investments	(2,086,822)	3,285,148
Permanently restricted contributions	(73,823)	(24,523)
Sub-total	(5,050,188)	(4,388,582)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	202,821	365,666
Redemption receivable	388,591	(363,524)
Prepaid expenses and other assets	154,347	(55,277)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(635,680)	242,425
Deferred revenue	104,134	(6,118)
Accrued pension benefit obligation	(117,839)	(420,209)
Net Cash Used in Operating Activities	(4,953,814)	(4,625,619)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(7,861,956)	(74,732,517)
Proceeds from sales of investments	12,636,168	80,121,449
Purchases of property and equipment	(314,770)	(793,776)
Net Cash Provided by Investing Activities	4,459,442	4,595,156
CASH FLOWS FROM FINANCING ACTIVITIES:		
Permanently restricted contributions	73,823	24,523
Net Cash Provided by Financing Activities	73,823	24,523
NET DECREASE IN CASH AND CASH EQUIVALENTS	(420,549)	(5,940)
Cash and cash equivalents - beginning of year	505,065	511,005
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 84,516	\$ 505,065

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

**THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015**

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 140 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 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 and is described under Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Unrestricted

This represents net assets not subject to donor-imposed stipulations and that have no time restrictions. Unrestricted net assets include amounts designated by the Board of Trustees (the "Board") for operations and investment in property and equipment. The amounts designated for operations, although expendable, are designated by the Board.

Temporarily Restricted

This represents net assets subject to donor-imposed stipulations that will be met by actions of the Club or by the passage of time. In addition, earnings on endowment assets are classified as temporarily restricted until appropriated for operations by the Board of Trustees. When a stipulated time restriction ends or purpose restriction is accomplished, or endowment earnings are appropriated for operations, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently Restricted

This represents net assets subject to donor-imposed stipulations that they are maintained permanently by the Club. Generally, the donors of these assets permit the Club to use all or part of the income earned on related investments for unrestricted or donor-specified purposes.

Interest and dividend income and net realized and unrealized gains (losses) on investments of permanently restricted net assets are reported as follows:

- As increases (decreases) in temporarily restricted net assets, if the terms of the gift impose restrictions on the use of the income. Such temporarily restricted net assets are reclassified to unrestricted net assets when the purpose restriction is accomplished.
 - As an increase in temporarily restricted net assets, if not appropriated by the Board.
 - As increases (decreases) in unrestricted net assets in all other cases.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- C. Contributions, including unconditional promises to give, are recognized as revenues in the period received. 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 Club's policies and programs. The value of this contributed time does not meet the criteria for recognition and therefore is not reflected in the accompanying consolidated statement of activities.

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

- D. Cash and cash equivalents include short-term, 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.
- E. Investments are stated at fair value. 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. 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. 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 5.
- F. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. 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 September 30, 2016 and 2015, the Club determined that an allowance for doubtful accounts of \$31,950 and \$34,400, respectively, was necessary for uncollectible accounts. This determination was based on a combination of factors such as management's estimate of the creditworthiness of its donors, a review of individual accounts outstanding, the aged basis of the receivables and historical experience.

- G. Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. The Club capitalizes property and equipment with a cost of \$2,500 or more and a useful life of greater than two years. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.
- H. On occasion, the Club receives cash advances for special events that are to be held after the consolidated statement of financial position date. It is the policy of the Club to refund all cash received in advance of special events (both contribution and exchange portions), if the event is subsequently canceled. Such cash advances are recorded as deferred revenue in the accompanying financial statements.
- I. The costs of providing program and supporting services of the Club have been summarized on a functional basis in the consolidated financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.
- 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 permanently restricted 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 4), bequests, contributions to permanently restricted net assets and other non-operating gains or losses are recognized as non-operating activities.

**THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- K. The Club recognizes bequests and legacies when wills have passed probate and the sum is certain.
- L. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- M. The Club holds a beneficial interest in an irrevocable charitable remainder unitrust which is held by a third party. The unitrust is a time-restricted contribution that is not available to the Club until after the death of the beneficiary, who, while living, receives payouts from the trust based on a fixed percentage of the market value of the invested funds each year as stated in the trust agreement.

The Club recognizes assets and temporarily restricted contribution revenue for its beneficial interests at the date the agreements are established, net of the liability recorded for the present value of the estimated future payments to be made to the beneficiaries based upon their life expectancies using IRS mortality tables and the appropriate discount rates. The present value of the estimated future interest is calculated using a discount rate of 4.96% and 4.93% as of September 30, 2016 and 2015, respectively.

- N. Donated services are recognized in the consolidated financial statements if the services or goods enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills. Donated teaching services received are estimated at \$84,596 and \$87,498 for the years ended September 30, 2016 and 2015, respectively, and are reflected as contributions revenue and professional fee expense in the accompanying consolidated financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>	<u>Estimated Useful Lives</u>
Land	\$ 1,340,310	\$ 1,340,310	-
Buildings and improvements	44,449,841	44,135,071	10-30 years
Equipment and vehicles	<u>3,453,547</u>	<u>3,453,547</u>	5 years
Total cost	49,243,698	48,928,928	
Less: accumulated depreciation	<u>(33,367,376)</u>	<u>(31,556,763)</u>	
Net book value	<u>\$ 15,876,322</u>	<u>\$ 17,372,165</u>	

The Boys' Club did not write off any assets during the year ended September 30, 2016. During the year ended September 30, 2015, the Club wrote off \$120,173 of property and equipment that are no longer in use and fully depreciated. As of September 30, 2016, approximately \$7.3 million of land and buildings were held for sale.

NOTE 4 – INVESTMENTS

Investments consist of the following as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 1,251,518	\$ 480,945
Common stocks	10,491,213	9,361,545
Mutual funds	22,404,805	23,847,336
Fixed income	5,763,913	7,021,543
Alternative investments	<u>9,754,750</u>	<u>11,642,220</u>
	<u>\$ 49,666,199</u>	<u>\$ 52,353,589</u>

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 4 – INVESTMENTS (Continued)

Alternative investments consist of 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. Investments in private investment companies are valued at fair value using the net assets valuations provided by underlying private investment companies. The fund managers value the underlying investments at fair value based on quoted market prices or broker dealer quotations. In the absence of quoted market prices or broker-dealer quotations, investments are valued at fair value as determined by the investment managers. Because of the inherent uncertainties of valuation, these estimated fair 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.

The Club's investment return spending policy is discretionary. During the years ended September 30, 2016 and 2015, the distribution for current spending amounted to approximately 6% of the fair value (net of investment advisory fees) of the Club's investment portfolio as of August 31, 2016 and 2015, respectively.

The components of investment activity for the years ended September 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 1,118,680	\$ 1,534,698
Realized (loss)	(143,638)	(326,666)
Unrealized gain/(loss)	2,230,460	(2,958,482)
Investment advisory fees	<u>(166,152)</u>	<u>(293,491)</u>
	<u>\$ 3,039,350</u>	<u>\$ (2,043,941)</u>

Designation of investment return:

	<u>2016</u>	<u>2015</u>
Amount used for operations	\$ 3,816,320	\$ 4,557,287
Amount considered non-operating	<u>(776,970)</u>	<u>(6,601,228)</u>
	<u>\$ 3,039,350</u>	<u>\$ (2,043,941)</u>

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.

The investment redemption receivable represents a receivable from investment managers for investments redeemed during the year. Such receivables were subsequently collected.

NOTE 5 – 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 lowest priority to Level 3 inputs.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Investments in common stocks, mutual funds and money market funds are valued using market prices in active markets (Level 1). Corporate and government bonds are valued using quoted prices in inactive markets (Level 2). Investments in alternative investments are valued at the net asset value (“NAV”), as reported by the investment managers, of shares or units held by the Club at the year end. These valuations are not meant to be indicative of the classification of the investments in the underlying portfolio of the investment in alternative investments.

The alternative investments are funds in master-feeder structures whereby the feeder invests substantially all of its net assets in a master fund, which conducts all investment and trading activities on behalf of the feeder funds. The master 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). There are redemption restrictions ranging from 45-90 days and unfunded commitments and are classified under Level 3 of the fair value hierarchy.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended September 30, 2016 and 2015 there were no transfers in or out of levels 1, 2 or 3.

Financial assets carried at fair value as of September 30, 2016 are classified in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total 2016</u>
ASSETS CARRIED AT FAIR VALUE				
Investments:				
Money market funds	\$ 1,251,518	\$ -	\$ -	\$ 1,251,518
Common stocks				
Technology and media	1,720,999	-	-	1,720,999
Industrials	1,736,708	-	-	1,736,708
Consumer goods	2,279,539	-	-	2,279,539
Finance	1,108,352	-	-	1,108,352
Healthcare	680,720	-	-	680,720
Energy	2,946,552	-	-	2,946,552
Other	18,343	-	-	18,343
Mutual funds				
Domestic equity	10,151,967	-	-	10,151,967
International equity	12,252,838	-	-	12,252,838
U.S. fixed income	-	5,763,913	-	5,763,913
Alternative investments	<u>-</u>	<u>-</u>	<u>9,754,750</u>	<u>9,754,750</u>
TOTAL ASSETS AT FAIR VALUE	<u>\$ 34,147,536</u>	<u>\$ 5,763,913</u>	<u>\$ 9,754,750</u>	<u>\$ 49,666,199</u>

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value as of September 30, 2015 are classified in the table as follows:

ASSETS CARRIED AT FAIR VALUE	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total 2015</u>
Investments:				
Money market funds	\$ 480,945	\$ -	\$ -	\$ 480,945
Common stocks				
Technology and media	1,469,602	-	-	1,469,602
Industrials	1,897,302	-	-	1,897,302
Consumer goods	1,622,913	-	-	1,622,913
Finance	1,168,836	-	-	1,168,836
Healthcare	677,107	-	-	677,107
Energy	2,442,278	-	-	2,442,278
Other	83,507	-	-	83,507
Mutual funds				
Domestic equity	12,280,202	-	-	12,280,202
International equity	11,567,134	-	-	11,567,134
U.S. fixed income	-	7,021,543	-	7,021,543
Alternative investments	-	-	11,642,220	11,642,220
TOTAL ASSETS AT FAIR VALUE	<u>\$ 33,689,826</u>	<u>\$ 7,021,543</u>	<u>\$ 11,642,220</u>	<u>\$ 52,353,589</u>

The reconciliation for the years ended September 30, 2016 and 2015 of Level 3 investments measured at estimated fair value follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 11,642,220	\$ 13,248
Redemptions	(1,178,205)	(13,248)
Additions	-	11,675,000
Change in unrealized loss	<u>(709,266)</u>	<u>(32,780)</u>
Balance, end of year	<u>\$ 9,754,749</u>	<u>\$ 11,642,220</u>

NOTE 6 – PENSION PLANS

The Club has a defined contribution retirement pension plan (“403(b) plan”) that operates under Section 403(b) of the Internal Revenue 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 month-periods 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 September 30, 2016 and 2015, the Club contributed \$156,417 and \$156,029, respectively.

Additionally, the Club has an employee noncontributory defined benefit pension plan (the “Plan”) covering eligible employees. The Club’s funding policy is to contribute annually the amount necessary to satisfy federal regulations. Effective September 30, 2007, the Club amended the Plan and curtailed all future benefits under the Plan.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 6 – PENSION PLANS (Continued)

The funded status of the Plan as of September 30, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Change in benefit obligation:		
Benefit obligation at beginning of the year	\$ 10,977,611	\$ 11,055,274
Interest cost	422,304	429,724
Actuarial (gain) loss	909,528	(16,222)
Benefits paid	<u>(575,719)</u>	<u>(491,165)</u>
Benefit obligation at end of year	11,733,724	10,977,611
Fair value of plan assets	<u>8,346,200</u>	<u>7,831,656</u>
Funded status	<u>\$ (3,387,524)</u>	<u>\$ (3,145,955)</u>
Accrued pension benefit obligation recognized in the consolidated statements of financial position	<u>\$ (3,387,524)</u>	<u>\$ (3,145,955)</u>

The components of the net periodic benefit cost for the years ended September 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Interest cost	\$ 422,304	\$ 429,724
Expected return on plan assets	(443,196)	(506,386)
Amortization of actuarial loss	<u>372,363</u>	<u>282,934</u>
Net periodic cost	<u>\$ 351,471</u>	<u>\$ 206,272</u>

The amounts recognized in the change in unrestricted net assets for the years ended September 30, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Net actuarial gain	\$ 731,771	\$ 788,039
Recognition of amortization of actuarial loss	<u>(372,363)</u>	<u>(282,934)</u>
	<u>\$ 359,408</u>	<u>\$ 505,105</u>

As of September 30, 2016 and 2015, the amounts recognized in unrestricted net assets consist of cumulative actuarial losses of \$4,923,103 and \$4,563,695, respectively. Employee census data as of October 1, 2015 was projected forward to the September 30, 2016 measurement date. The accumulated benefit obligation amounted to \$11,733,724 and \$10,977,611 as of September 30, 2016 and 2015, respectively.

Assumptions:

The weighted assumptions used as of and for the years ended September 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Benefit obligation:		
Discount rate	3.24%	3.98%
Expected return on plan assets	7.00%	7.50%
Rate of compensation increase	N/A	N/A
Net periodic pension cost:		
Discount rate	3.24%	3.98%
Expected return on plan assets	7.00%	7.50%
Rate of compensation increase	N/A	N/A

**THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015**

NOTE 6 – PENSION PLANS (Continued)

The Plan assets as of September 30, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Cash and money funds	\$ 4,537	\$ 381,639
Common stocks	969,987	983,122
Mutual funds:		
Domestic equity	4,359,355	4,430,785
International equity	1,283,841	1,162,375
Fixed income	<u>1,728,480</u>	<u>873,735</u>
	<u>\$ 8,346,200</u>	<u>\$ 7,831,656</u>

The Plan assets are reported at fair value and classified under Level 1 of the fair value hierarchy (see Note 5 for the definitions of fair value hierarchy).

The long-term rate of return was developed by estimating the expected long-term real return for each asset class within the portfolio, computing an average weighted real rate of return for the portfolio as a whole, reflecting both the Plan's expected asset class allocation and the correlations between the various asset classes, and adding that expected real rate of return to the expected long-term rate of inflation. The expected long-term rate of return reflects an expected real rate of return and an underlying inflation component per year.

The Club expects to contribute \$632,000 to the Plan during the year ended September 30, 2017.

The projected benefit payments are as follows:

Year ending September 30:	
2017	\$ 632,000
2018	629,000
2019	631,000
2020	642,000
2021	662,000
Next 5 years	<u>3,296,000</u>
	<u>\$ 6,492,000</u>

NOTE 7 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are recorded net of a discount (at a risk adjusted rate) to reflect the present value of future cash flows and are scheduled to be collected as follows as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
One year or less	\$ 262,395	\$ 396,166
One year to five years	<u>80,000</u>	<u>151,500</u>
	342,395	547,666
Less allowance for doubtful accounts	(31,950)	(34,400)
Less present value discount, rates ranging from 1.0% to 3.875%	<u>(4,295)</u>	<u>(4,295)</u>
	<u>\$ 306,150</u>	<u>\$ 508,971</u>

**THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015**

NOTE 8 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets as of September 30, 2016 and 2015 are restricted by donors for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
Clubhouses- social, cultural, health and physical development	\$ 14,727	\$ 27,954
Time and purpose restricted	1,766,143	1,665,300
Unappropriated endowment earnings	<u>3,362,989</u>	<u>793,270</u>
	<u>\$ 5,143,859</u>	<u>\$ 2,486,524</u>

Permanently restricted net assets consist of endowment gifts from donors with income to be used for unrestricted 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 September 30, 2016 and 2015.

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 permanent endowment fund's fair value (averaged over a period of not less than the preceding five years) in any year. Any unappropriated earnings that would otherwise be considered unrestricted by the donor must be reflected as temporarily restricted 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, and alternative investments 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 temporarily restricted until appropriated for operations by the Board.

Changes in endowment net assets for year ended September 30, 2016 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2016</u>
Investment Activity:			
Interest and dividends	\$ 664,508	\$ -	\$ 664,508
Realized and unrealized gains, net	<u>1,025,858</u>	<u>-</u>	<u>1,025,858</u>
Total investment activity	1,690,366	-	1,690,366
Contributions	-	73,823	73,823
Amount appropriated by the Board	<u>879,353</u>	<u>-</u>	<u>879,353</u>
Total change	2,569,719	73,823	2,643,542
Balance, beginning of year	<u>793,270</u>	<u>24,286,510</u>	<u>25,079,780</u>
Balance, end of year	<u>\$ 3,362,989</u>	<u>\$ 24,360,333</u>	<u>\$ 27,723,322</u>

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 8 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Changes in endowment net assets for year ended September 30, 2015 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>
Investment Activity:			
Interest and dividends	\$ 946,292	\$ -	\$ 946,292
Realized and unrealized losses, net	<u>(1,307,354)</u>	<u>-</u>	<u>(1,307,354)</u>
Total investment activity	(361,062)	-	(361,062)
Contributions	-	24,523	24,523
Amount appropriated by the Board	<u>(2,472,440)</u>	<u>-</u>	<u>(2,472,440)</u>
Total change	(2,833,502)	24,523	(2,808,979)
Balance, beginning of year	<u>3,626,772</u>	<u>24,261,987</u>	<u>27,888,759</u>
Balance, end of year	<u>\$ 793,270</u>	<u>\$ 24,286,510</u>	<u>\$ 25,079,780</u>

Permanently restricted endowment net assets of \$24,360,333 and \$24,286,510 are included with investments in the consolidated statements of financial position as of September 30, 2016 and 2015, respectively.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (underwater). When underwater endowment funds exist, they are classified as a reduction of unrestricted net assets. There were no underwater endowment funds as September 30, 2016 and 2015.

NOTE 9 – ASSET RETIREMENT OBLIGATION

In accordance with FASB ASC 405-20 *Accounting for Conditional Asset Retirement Obligations*, the Club is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Under FASB ASC 405-20, costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets are required to be accrued. The Club identified asbestos abatement as a conditional asset retirement obligation for certain buildings and improvements and computes the present value of remediation costs to be a liability. As of September 30, 2016 and 2015, the obligation related to this amounted to \$846,675 and \$822,015, respectively.

NOTE 10 – CONCENTRATION AND CONTINGENCIES

- A. Cash and cash equivalents that potentially subject the Club to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to \$250,000 per depositor. As of September 30, 2015 there was approximately \$436,000 of cash and cash equivalents held by banks that exceeded FDIC limits. As of September 30, 2016 cash and cash equivalents held by banks did not exceed FDIC limits.
- B. The Club believes it has no uncertain tax positions as of September 30, 2016 and 2015 in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

THE BOYS' CLUB OF NEW YORK
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

NOTE 11 – LINE OF CREDIT

The Club has a line of credit with J.P. Morgan with a maximum borrowing limit in the amount of \$5,000,000 as of September 30, 2016. The line of credit bears interest at the Variable Libor Rate plus 1.25% unless the borrower specifically requests a Loan that bears interest at the Fixed Libor Rate plus 1.25%. As of September 30, 2016, BCNY does not have outstanding balance on the line of credit.

NOTE 12 – SUBSEQUENT EVENTS

- A. Management has evaluated for potential recognition and disclosure events subsequent to the date of the consolidated statements of financial position through February 2, 2017, the date the consolidated financial statements were available to be issued.
- B. On December 22, 2016, the Club entered into a contract to sell certain land and buildings with a net book value of approximately \$7.3 million.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2016 AND 2015

	As of September 30, 2016				As of September 30, 2015			
	Boys Club of New York	Camp Cromwell	Consolidating Eliminations	Consolidated Total 2016	Consolidated Total 2015	Boys Club of New York	Camp Cromwell	Consolidating Eliminations
ASSETS								
Cash and cash equivalents	\$ 74,516	\$ 10,000	\$ -	\$ 84,516	\$ 505,065	\$ 495,065	\$ 10,000	\$ -
Contributions receivable, net	306,150	-	-	306,150	508,971	508,971	-	-
Investment redemption receivable	20,649	-	-	20,649	409,240	409,240	-	-
Investments	49,666,199	-	-	49,666,199	52,353,589	52,353,589	-	-
Prepaid expenses and other assets	377,753	-	-	377,753	532,100	532,100	-	-
Due from related party	-	244,058	(244,058)	-	-	-	171,908	(171,908)
Beneficial interest in charitable remainder unitrust	1,467,149	-	-	1,467,149	1,372,711	1,372,711	-	-
Property and equipment, net	<u>8,545,372</u>	<u>7,330,950</u>	<u>-</u>	<u>15,876,322</u>	<u>17,372,165</u>	<u>9,432,674</u>	<u>7,939,491</u>	<u>-</u>
TOTAL ASSETS	\$ 60,457,788	\$ 7,585,008	\$ (244,058)	\$ 67,798,738	\$ 73,053,841	\$ 65,104,350	\$ 8,121,399	\$ (171,908)
LIABILITIES								
Accounts payable and accrued expenses	\$ 125,917	\$ -	\$ -	\$ 125,917	\$ 761,597	\$ 761,597	\$ -	\$ -
Deferred revenue	722,134	-	-	722,134	618,000	618,000	-	-
Due to related party	244,058	-	(244,058)	-	-	171,908	-	(171,908)
Accrued pension benefit obligation	3,387,524	-	-	3,387,524	3,145,955	3,145,955	-	-
Asset retirement obligation	<u>846,675</u>	<u>-</u>	<u>-</u>	<u>846,675</u>	<u>822,015</u>	<u>822,015</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>5,326,308</u>	<u>-</u>	<u>(244,058)</u>	<u>5,082,250</u>	<u>5,347,567</u>	<u>5,519,475</u>	<u>-</u>	<u>(171,908)</u>
NET ASSETS								
Unrestricted								
Designated for operations	17,928,591	254,058	-	18,182,649	24,383,090	24,201,182	181,908	-
Net investment in property and equipment	<u>7,698,697</u>	<u>7,330,950</u>	<u>-</u>	<u>15,029,647</u>	<u>16,550,150</u>	<u>8,610,659</u>	<u>7,939,491</u>	<u>-</u>
Total unrestricted	25,627,288	7,585,008	-	33,212,296	40,933,240	32,811,841	8,121,399	-
Temporarily restricted	5,143,859	-	-	5,143,859	2,486,524	2,486,524	-	-
Permanently restricted	<u>24,360,333</u>	<u>-</u>	<u>-</u>	<u>24,360,333</u>	<u>24,286,510</u>	<u>24,286,510</u>	<u>-</u>	<u>-</u>
TOTAL NET ASSETS	<u>55,131,480</u>	<u>7,585,008</u>	<u>-</u>	<u>62,716,488</u>	<u>67,706,274</u>	<u>59,584,875</u>	<u>8,121,399</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 60,457,788	\$ 7,585,008	\$ (244,058)	\$ 67,798,738	\$ 73,053,841	\$ 65,104,350	\$ 8,121,399	\$ (171,908)

**THE BOYS' CLUB OF NEW YORK
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Boys Club of New York			Camp Cromwell	Consolidated Total					
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total Unrestricted	Consolidating Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016
OPERATING REVENUE AND SUPPORT:										
Contributions	\$ 1,321,899	\$ 521,878	\$ -	\$ 1,843,777	\$ 72,150	\$ -	\$ 1,394,049	\$ 521,878	\$ -	\$ 1,915,927
Special events (net of direct expenses of \$409,544)	3,386,738	-	-	3,386,738	-	-	3,386,738	-	-	3,386,738
Investment return (net of investment management expenses of \$166,152)	3,151,812	664,508	-	3,816,320	-	-	3,151,812	664,508	-	3,816,320
Food program, program fees and other	1,091,109	-	-	1,091,109	-	-	1,091,109	-	-	1,091,109
Grant income	-	-	-	-	209,560	(209,560)	-	-	-	-
Net assets released from restrictions	1,193,208	(1,193,208)	-	-	-	-	1,193,208	(1,193,208)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	10,144,766	(6,822)	-	10,137,944	281,710	(209,560)	10,216,916	(6,822)	-	10,210,094
OPERATING EXPENSES:										
Program Services:										
Clubhouse activities	8,326,104	-	-	8,326,104	-	-	8,326,104	-	-	8,326,104
Camping	209,560	-	-	209,560	818,101	(209,560)	818,101	-	-	818,101
Physical education	628,107	-	-	628,107	-	-	628,107	-	-	628,107
Educational services	1,821,424	-	-	1,821,424	-	-	1,821,424	-	-	1,821,424
Food program and other	382,735	-	-	382,735	-	-	382,735	-	-	382,735
Total Program Services	11,367,930	-	-	11,367,930	818,101	(209,560)	11,976,471	-	-	11,976,471
Supporting Services:										
Management and general	1,361,123	-	-	1,361,123	-	-	1,361,123	-	-	1,361,123
Fundraising	1,083,317	-	-	1,083,317	-	-	1,083,317	-	-	1,083,317
Total Supporting Services	2,444,440	-	-	2,444,440	-	-	2,444,440	-	-	2,444,440
TOTAL OPERATING EXPENSES	13,812,370	-	-	13,812,370	818,101	(209,560)	14,420,911	-	-	14,420,911
DEFICIT OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(3,667,604)	(6,822)	-	(3,674,426)	(536,391)	-	(4,203,995)	(6,822)	-	(4,210,817)
NON-OPERATING ACTIVITIES:										
Investment return in excess of amount used for operations	(3,346,689)	2,569,719	-	(776,970)	-	-	(3,346,689)	2,569,719	-	(776,970)
Endowment contributions	-	-	73,823	73,823	-	-	-	-	73,823	73,823
Bequests	213,808	-	-	213,808	-	-	213,808	-	-	213,808
Change in value of beneficial trust	-	94,438	-	94,438	-	-	-	94,438	-	94,438
TOTAL NON-OPERATING ACTIVITIES	(3,132,881)	2,664,157	73,823	(394,901)	-	-	(3,132,881)	2,664,157	73,823	(394,901)
CHANGE IN NET ASSETS BEFORE PENSION RELATED CHANGES AND OTHER ITEMS	(6,800,485)	2,657,335	73,823	(4,069,327)	(536,391)	-	(7,336,876)	2,657,335	73,823	(4,605,718)
Pension related changes other than net periodic pension costs	(359,408)	-	-	(359,408)	-	-	(359,408)	-	-	(359,408)
Increase in asset retirement obligation	(24,660)	-	-	(24,660)	-	-	(24,660)	-	-	(24,660)
CHANGE IN TOTAL NET ASSETS	(7,184,553)	2,657,335	73,823	(4,453,395)	(536,391)	-	(7,720,944)	2,657,335	73,823	(4,989,786)
Net assets - beginning of year	32,811,841	2,486,524	24,286,510	59,584,875	8,121,399	-	40,933,240	2,486,524	24,286,510	67,706,274
NET ASSETS - END OF YEAR	\$ 25,627,288	\$ 5,143,859	\$ 24,360,333	\$ 55,131,480	\$ 7,585,008	\$ -	\$ 33,212,296	\$ 5,143,859	\$ 24,360,333	\$ 62,716,488

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Boys Club of New York			Camp Cromwell	Consolidated Total					
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total Unrestricted	Consolidating Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2015
OPERATING REVENUE AND SUPPORT:										
Contributions	\$ 1,904,255	\$ 374,065	\$ -	\$ 2,278,320	\$ -	\$ -	\$ 1,904,255	\$ 374,065	\$ -	\$ 2,278,320
Special events (net of direct expenses of \$352,832)	4,382,508	-	-	4,382,508	-	-	4,382,508	-	-	4,382,508
Investment return (net of investment management expenses of \$293,491)	3,656,967	900,320	-	4,557,287	-	-	3,656,967	900,320	-	4,557,287
Food program, program fees and other	929,792	-	-	929,792	-	-	929,792	-	-	929,792
Grant income	-	-	-	-	498,195	(498,195)	-	-	-	-
Net assets released from restrictions	1,438,693	(1,438,693)	-	-	-	-	1,438,693	(1,438,693)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	12,312,215	(164,308)	-	12,147,907	498,195	(498,195)	12,312,215	(164,308)	-	12,147,907
OPERATING EXPENSES:										
Program Services:										
Clubhouse activities	8,353,997	-	-	8,353,997	-	-	8,353,997	-	-	8,353,997
Camping	527,626	-	-	527,626	1,041,588	(498,195)	1,071,019	-	-	1,071,019
Physical education	675,922	-	-	675,922	-	-	675,922	-	-	675,922
Educational services	1,680,102	-	-	1,680,102	-	-	1,680,102	-	-	1,680,102
Food program and other	371,134	-	-	371,134	-	-	371,134	-	-	371,134
Total Program Services	11,608,781	-	-	11,608,781	1,041,588	(498,195)	12,152,174	-	-	12,152,174
Supporting Services:										
Management and general	1,618,744	-	-	1,618,744	29,431	-	1,648,175	-	-	1,648,175
Fund raising	1,344,440	-	-	1,344,440	-	-	1,344,440	-	-	1,344,440
Total Supporting Services	2,963,184	-	-	2,963,184	29,431	-	2,992,615	-	-	2,992,615
TOTAL OPERATING EXPENSES	14,571,965	-	-	14,571,965	1,071,019	(498,195)	15,144,789	-	-	15,144,789
DEFICIT OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(2,259,750)	(164,308)	-	(2,424,058)	(572,824)	-	(2,832,574)	(164,308)	-	(2,996,882)
NON-OPERATING ACTIVITIES:										
Investment return in excess of amount appropriated for operations	(3,767,726)	(2,833,502)	-	(6,601,228)	-	-	(3,767,726)	(2,833,502)	-	(6,601,228)
Endowment contributions	-	-	24,523	24,523	-	-	-	-	24,523	24,523
Bequests	-	(98,458)	-	(98,458)	-	-	-	(98,458)	-	(98,458)
TOTAL NON-OPERATING ACTIVITIES	(3,767,726)	(2,931,960)	24,523	(6,675,163)	-	-	(3,767,726)	(2,931,960)	24,523	(6,675,163)
CHANGE IN NET ASSETS BEFORE PENSION RELATED CHANGES AND OTHER ITEMS										
	(6,027,476)	(3,096,268)	24,523	(9,099,221)	(572,824)	-	(6,600,300)	(3,096,268)	24,523	(9,672,045)
Pension related changes other than net periodic pension costs	(505,105)	-	-	(505,105)	-	-	(505,105)	-	-	(505,105)
Decrease in asset retirement obligation	(23,942)	-	-	(23,942)	-	-	(23,942)	-	-	(23,942)
CHANGE IN TOTAL NET ASSETS	(6,556,523)	(3,096,268)	24,523	(9,628,268)	(572,824)	-	(7,129,347)	(3,096,268)	24,523	(10,201,092)
Net assets - beginning of year	39,368,364	5,582,792	24,261,987	69,213,143	8,694,223	-	48,062,587	5,582,792	24,261,987	77,907,366
NET ASSETS - END OF YEAR	\$ 32,811,841	\$ 2,486,524	\$ 24,286,510	\$ 59,584,875	\$ 8,121,399	\$ -	\$ 40,933,240	\$ 2,486,524	\$ 24,286,510	\$ 67,706,274

See independent auditors' report.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Program Services			Management and Administration			Fundraising		
	Boys Club of New York	Camp Cromwell	Total Program Services	Boys Club of New York	Camp Cromwell	Total Management and Administration	Boys Club of New York	Consolidating Eliminations	Total 2016
Personnel service costs	\$ 5,895,801	\$ 46,235	\$ 5,942,036	\$ 592,803	\$ -	\$ 592,803	\$ 632,095	\$ -	\$ 7,166,934
Payroll taxes and benefits	1,772,091	14,384	1,786,475	232,290	-	232,290	194,016	-	2,212,781
Grant expense	209,560	-	209,560	-	-	-	-	(209,560)	-
Utilities	343,748	48,577	392,325	7,746	-	7,746	5,814	-	405,885
Professional fees	77,479	28	77,507	189,562	-	189,562	25	-	267,094
Repairs, maintenance and equipment	272,170	30,313	302,483	11,245	-	11,245	2,736	-	316,464
Insurance	217,088	54,272	271,360	69,819	-	69,819	8,141	-	349,320
Printing and publications	95,171	-	95,171	4,282	-	4,282	48,108	-	147,561
Information technology	3,937	295	4,232	110,076	-	110,076	-	-	114,308
Travel and transportation	124,888	979	125,867	14,860	-	14,860	4,168	-	144,895
Telephone and telecommunications	7,424	11,523	18,947	62,280	-	62,280	-	-	81,227
Office/program supplies, etc.	812,211	2,954	815,165	18,796	-	18,796	140,849	-	974,810
Tuition assistance	7,418	-	7,418	-	-	-	-	-	7,418
Food	421,601	-	421,601	-	-	-	-	-	421,601
Depreciation	<u>1,107,343</u>	<u>608,541</u>	<u>1,715,884</u>	<u>47,364</u>	<u>-</u>	<u>47,364</u>	<u>47,365</u>	<u>-</u>	<u>1,810,613</u>
TOTAL EXPENSES - BEFORE ALLOCATION	11,367,930	818,101	12,186,031	1,361,123	-	1,361,123	1,083,317	(209,560)	14,420,911
ALLOCATION OF ELIMINATIONS	(209,560)	-	(209,560)	-	-	-	-	209,560	-
TOTAL EXPENSES	\$ 11,158,370	\$ 818,101	\$ 11,976,471	\$ 1,361,123	\$ -	\$ 1,361,123	\$ 1,083,317	\$ -	\$ 14,420,911

**THE BOYS' CLUB OF NEW YORK
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Program Services			Management and Administration			Fundraising	Consolidating Eliminations	Total 2015
	Boys Club of New York	Camp Cromwell	Total Program Services	Boys Club of New York	Camp Cromwell	Total Management and Administration	Boys Club of New York		
Personnel service costs	\$ 5,947,413	\$ 144,331	\$ 6,091,744	\$ 615,266	\$ 10,247	\$ 625,513	\$ 733,764	\$ -	\$ 7,451,021
Payroll taxes and benefits	1,644,315	36,033	1,680,348	227,248	2,559	229,807	184,553	-	2,094,708
Grant expense	498,195	-	498,195	-	-	-	-	(498,195)	-
Utilities	521,695	105,956	627,651	7,860	-	7,860	2,620	-	638,131
Professional fees	91,334	100	91,434	184,916	-	184,916	40,729	-	317,079
Repairs, maintenance and equipment	188,576	62,670	251,246	8,835	-	8,835	2,754	-	262,835
Insurance	253,365	42,560	295,925	66,507	16,625	83,132	8,878	-	387,935
Printing and publications	26,739	-	26,739	1,500	-	1,500	110,733	-	138,972
Information technology	281	598	879	104,043	-	104,043	3,920	-	108,842
Travel and transportation	115,075	4,928	120,003	15,812	-	15,812	3,178	-	138,993
Telephone and telecommunications	8,601	7,512	16,113	80,111	-	80,111	-	-	96,224
Office/program supplies, etc.	827,072	25,484	852,556	146,351	-	146,351	205,715	-	1,204,622
Tuition assistance	11,046	-	11,046	-	-	-	-	-	11,046
Food	370,001	-	370,001	-	-	-	-	-	370,001
Bad debt	-	-	-	112,700	-	112,700	-	-	112,700
Depreciation	1,105,073	611,416	1,716,489	47,595	-	47,595	47,596	-	1,811,680
TOTAL EXPENSES - BEFORE ALLOCATION	11,608,781	1,041,588	12,650,369	1,618,744	29,431	1,648,175	1,344,440	(498,195)	15,144,789
ALLOCATION OF ELIMINATIONS	(498,195)	-	(498,195)	-	-	-	-	498,195	-
TOTAL EXPENSES	\$ 11,110,586	\$ 1,041,588	\$ 12,152,174	\$ 1,618,744	\$ 29,431	\$ 1,648,175	\$ 1,344,440	\$ -	\$ 15,144,789