THE BOYS' CLUB OF NEW YORK

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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MARKS PANETH
ACCOUNTANTS & ADVISORS

THE BOYS' CLUB OF NEW YORK

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AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Boys' Club of New York (the "Boys' Club") and Camp Cromwell, Inc. (the "Subsidiary" or "Camp") (collectively, the "Club") which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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, 2018 and 2017, 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.

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 statements (shown on pages 18-20) are presented for purposes of additional analysis, rather than to present the financial position and changes in net assets of the individual organizations and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in 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 LLP

New York, NY
February 22, 2019

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and cash equivalents (Notes 2D and 10A)	$ 646,334	$ 7,679,508
Contributions receivable, net (Notes 2F and 7)	2,071,801	331,755
Investments (Notes 2E, 4 and 5)	54,414,757	49,768,161
Prepaid expenses and other assets	591,609	682,994
Beneficial interest in charitable remainder unitrust (Note 2M)	1,583,216	1,544,419
Property and equipment, net (Notes 2G and 3)	8,634,318	8,671,169
TOTAL ASSETS	$ 67,942,035	$ 68,678,006
LIABILITIES		
Accounts payable and accrued expenses	$ 205,616	$ 173,472
Deferred revenue (Note 2H)	585,202	633,159
Accrued pension benefit obligation (Note 6)	1,404,644	2,616,882
Asset retirement obligation (Note 9)	529,189	658,862
TOTAL LIABILITIES	2,724,651	4,082,375
NET ASSETS (Note 2B)		
Unrestricted		
Available for operations	27,977,289	28,131,072
Net investment in property and equipment	8,105,129	8,012,307
Total unrestricted	36,082,418	36,143,379
Temporarily restricted (Note 8)	4,774,633	4,091,919
Permanently restricted (Note 8)	24,360,333	24,360,333
TOTAL NET ASSETS	65,217,384	64,595,631
TOTAL LIABILITIES AND NET ASSETS	$ 67,942,035	$ 68,678,006

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, 2018 AND 2017

	For the Year Ended September 30, 2018				For the Year Ended September 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Total 2017	Permanently Restricted	Temporarily Restricted	Unrestricted
OPERATING REVENUE AND SUPPORT (Note 2J):								
Contributions (Notes 2C and 2N)	$ 3,141,809	$ 1,865,504	$ -	$ 5,007,313	$ 2,035,706	$ -	$ 560,838	$ 1,474,868
Special events (net of direct expenses of $303,768 and $427,927 for 2018 and 2017, respectively)	2,137,702	-	-	2,137,702	3,218,235	-	-	3,218,235
Investment spending policy (Notes 2B and 4)	1,671,819	1,453,669	-	3,125,488	3,582,232	-	568,133	3,014,099
Food program, program fees and other	1,834,935	-	-	1,834,935	951,795	-	-	951,795
Gain on sale of property and equipment (Note 3)	-	-	-	-	431,483	-	-	431,483
Net assets released from restrictions (Note 2B)	1,145,404	(1,145,404)	-	-	-	-	(932,114)	932,114
TOTAL OPERATING REVENUE AND SUPPORT	9,931,669	2,173,769	-	12,105,438	10,219,451	-	196,857	10,022,594
OPERATING EXPENSES (Notes 2I and 2J):								
Program Services:								
Clubhouse activities	8,026,278	-	-	8,026,278	7,866,792	-	-	7,866,792
Camping	164,334	-	-	164,334	599,224	-	-	599,224
Physical education	502,372	-	-	502,372	557,863	-	-	557,863
Educational services	1,004,745	-	-	1,004,745	1,018,424	-	-	1,018,424
Food program and other	324,718	-	-	324,718	335,418	-	-	335,418
Total Program Services	10,022,447	-	-	10,022,447	10,377,721	-	-	10,377,721
Supporting Services:								
Management and general	1,437,064	-	-	1,437,064	1,334,454	-	-	1,334,454
Fundraising	1,138,562	-	-	1,138,562	1,055,192	-	-	1,055,192
Total Supporting Services	2,575,626	-	-	2,575,626	2,389,646	-	-	2,389,646
TOTAL OPERATING EXPENSES	12,598,073	-	-	12,598,073	12,767,367	-	-	12,767,367
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(2,666,404)	2,173,769	-	(492,635)	(2,547,916)	-	196,857	(2,744,773)
NON-OPERATING ACTIVITIES (Note 2J):								
Investment activity below amount used for operations (Note 4)	1,374,209	(1,529,852)	-	(155,643)	3,058,346	-	(1,326,067)	4,384,413
Bequests	121,193	-	-	121,193	55,650	-	-	55,650
Change in value of beneficial trust (Note 2M)	-	38,797	-	38,797	77,270	-	77,270	-
TOTAL NON-OPERATING ACTIVITIES	1,495,402	(1,491,055)	-	4,347	3,191,266	-	(1,248,797)	4,440,063
CHANGE IN NET ASSETS BEFORE PENSION RELATED CHANGES AND OTHER ITEMS	(1,171,002)	682,714	-	(488,288)	643,350	-	(1,051,940)	1,695,290
Pension related changes other than net periodic pension costs (Note 6)	1,110,041	-	-	1,110,041	1,064,009	-	-	1,064,009
Change in asset retirement obligation (Note 9)	-	-	-	-	171,784	-	-	171,784
CHANGE IN TOTAL NET ASSETS	(60,961)	682,714	-	621,753	1,879,143	-	(1,051,940)	2,931,083
Net assets - beginning of year	36,143,379	4,091,919	24,360,333	64,595,631	62,716,488	24,360,333	5,143,859	33,212,296
NET ASSETS - END OF YEAR	$ 36,082,418	$ 4,774,633	$ 24,360,333	$ 65,217,384	$ 64,595,631	$ 24,360,333	$ 4,091,919	$ 36,143,379

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, 2018 AND 2017

	Year Ended September 30, 2018					Year Ended September 30, 2017				
		Supporting Services						Supporting Services		
	Program Services	Management & General	Fundraising	Total Supporting Services	Total 2018	Total 2017	Program Services	Management & General	Fundraising	Total Supporting Services
Personnel service costs	$ 5,307,583	$ 622,538	$ 660,116	$ 1,282,654	$ 6,590,237	$ 6,428,755	$ 5,169,245	$ 635,100	$ 624,410	$ 1,259,510
Payroll taxes and benefits (Note 6)	1,467,260	222,015	224,982	446,997	1,914,257	2,130,784	1,682,362	242,166	206,256	448,422
Utilities	392,117	6,934	5,362	12,296	404,413	369,060	357,097	6,745	5,218	11,963
Professional fees (Note 2N)	108,396	242,932	67,705	310,637	419,033	330,370	198,352	100,618	31,400	132,018
Repairs, maintenance and equipment	245,350	12,471	2,736	15,207	260,557	320,866	311,375	6,755	2,736	9,491
Insurance	179,090	78,383	9,950	88,333	267,423	340,595	264,182	68,488	7,925	76,413
Printing and publications	23,417	1,300	22,332	23,632	47,049	51,014	29,451	1,421	20,142	21,563
Information technology	14,460	148,673	-	148,673	163,133	122,466	-	120,832	1,634	122,466
Travel and transportation	99,227	10,127	2,320	12,447	111,674	60,063	41,965	14,586	3,512	18,098
Telephone and telecommunications	6,973	56,731	-	56,731	63,704	71,223	14,522	56,701	-	56,701
Office/program supplies, etc.	676,517	12,944	112,092	125,036	801,553	739,834	564,043	52,437	123,354	175,791
Tuition assistance	4,850	-	-	-	4,850	4,543	4,543	-	-	-
Food	324,718	-	-	-	324,718	312,760	312,760	-	-	-
Bad debt	-	-	8,950	8,950	8,950	-	-	-	-	-
Depreciation (Note 3)	1,172,489	22,016	22,017	44,033	1,216,522	1,485,034	1,427,824	28,605	28,605	57,210
TOTAL EXPENSES	$ 10,022,447	$ 1,437,064	$ 1,138,562	$ 2,575,626	$ 12,598,073	$ 12,767,367	$ 10,377,721	$ 1,334,454	$ 1,055,192	$ 2,389,646

THE BOYS' CLUB OF NEW YORK
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 621,753	$ 1,879,143
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	1,216,522	1,485,034
Pension related changes other than net periodic pension costs	(1,110,041)	(1,064,009)
Change in value of beneficial interest in charitable remainder unitrust	(38,797)	(77,270)
Decrease in asset retirement obligation	-	(171,784)
Net realized and unrealized gain on investments	(2,082,379)	(5,909,836)
Bad debt	8,950	-
Allowance for uncollectable accounts	-	5,250
Gain on sale of property and equipment	-	(431,483)
Sub-total	(1,383,992)	(4,284,955)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	(1,748,996)	(30,855)
Prepaid expenses and other assets	91,385	(305,241)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	32,144	47,555
Deferred revenue	(47,957)	(88,975)
Asset retirement obligation	(129,673)	(16,029)
Accrued pension benefit obligation	(102,197)	293,367
Net Cash Used in Operating Activities	(3,289,286)	(4,385,133)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(31,847,048)	(5,191,231)
Proceeds from sales of investments	29,282,831	11,019,754
Proceeds from sales of property and equipment	-	7,459,781
Purchases of property and equipment	(1,179,671)	(1,308,179)
Net Cash (Used in) Provided by Investing Activities	(3,743,888)	11,980,125
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of line of credit	(780,000)	-
Proceeds from line of credit	780,000	-
Net Cash Provided by Financing Activities	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,033,174)	7,594,992
Cash and cash equivalents - beginning of year	7,679,508	84,516
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 646,334	$ 7,679,508

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

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

Founded in 1876 by Edward H. Harriman, the Boys' Club was one of the first Boys' Clubs in America and helped launch the national Boys' Club movement. For the last 142 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 and is described under Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

<u>Unrestricted</u>

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.

<u>Temporarily Restricted</u>

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.

<u>Permanently Restricted</u>

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.

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, 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.

E. 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 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, 2018 and 2017, the Club determined that an allowance for doubtful accounts of $27,900 and $26,700 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, change in value of beneficial trust and other non-operating gains or losses are recognized as non-operating activities.

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 an asset and temporarily restricted contribution revenue for its beneficial interest at the date the agreement was established, net of the liability recorded for the present value of the estimated future payments to be made to the beneficiary based upon their life expectancy using unobservable inputs including IRS mortality tables and appropriate discount rates. The present value of the estimated future interest is calculated using a discount rate of 3.44% and 4.93% as of September 30, 2018 and 2017, 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, and are provided by individuals possessing those skills. Donated legal services received are estimated at $227,000 and $140,000 for the years ended September 30, 2018 and 2017, respectively, and are reflected as contributions revenue and professional fee expense in the accompanying consolidated financial statements.

O. Recent Accounting Pronouncement – Effective for the year ended September 30, 2018, the Club adopted the guidance issued by the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2015-07, *Disclosure for Investments in Certain Entities that Calculate Net Asset Value*. Under the amendment, investments in entities for which fair value is calculated using NAV are no longer required to categorize within the fair value hierarchy those investments that use NAV as a practical expedient, although there must be a reconciliation of the fair value hierarchy to amounts presented in the statements of financial position. The Club has reflected the effects of this amendment as of and for the years ended September 30, 2018 and 2017. These changes had no impact on the change in net assets for the year ended September 30, 2018.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of September 30:

	2018	2017	Estimated Useful Lives
Land	$ 161,044	$ 301,794	-
Buildings and improvements	24,098,182	32,741,573	10-30 years
Property held for sale	1,891,816	-	
Equipment and vehicles	2,930,493	2,930,493	5 years
Total cost	29,081,535	35,973,860	
Less: accumulated depreciation	(20,447,217)	(27,302,691)	
Net book value	$ 8,634,318	$ 8,671,169	

Depreciation expense amounted to $1,216,522 and $1,485,034 for the years ended September 30, 2018 and 2017, respectively.

The Club's Harriman Clubhouse is currently held for sale. The net book value is $1,891,816, which consists of costs of $9,963,812 less accumulated depreciation of $8,071,996. The Club plans to use the proceeds from the sales to further its mission.

NOTE 4 - INVESTMENTS

Investments consist of the following as of September 30:

	2018	2017
Money market funds	$ 313,662	$ 466,209
Common stocks	3,052,393	8,649,391
Mutual funds	36,229,212	27,457,148
Fixed income	4,342,332	4,453,421
Alternative investments	10,477,158	8,741,992
	$ 54,414,757	$ 49,768,161

Alternative investments consists 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 September 30, 2018 and 2017, 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, 2018 and 2017, respectively.

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

	2018	2017
Interest and dividends	$ 996,988	$ 968,396
Realized gain	2,836,598	363,263
Unrealized gain/(loss)	(754,219)	5,546,573
Investment advisory fees	(109,522)	(237,654)
	$ 2,969,845	$ 6,640,578

Designation of investment return:

	2018	2017
Amount used for operations	$ 3,125,488	$ 3,582,232
Amount considered non-operating	(155,643)	3,058,346
	$ 2,969,845	$ 6,640,578

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 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.

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

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.

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).

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

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, 2018 and 2017 there were no transfers in or out of levels 1, 2 or 3.

Financial assets carried at fair value as of September 30, 2018 are classified in the table as follows:

	Level 1	Level 2	Total 2018
ASSETS CARRIED AT FAIR VALUE			
Investments:			
Money market funds	$ 313,662	$ -	$ 313,662
Common stocks			
Technology and media	709,376	-	709,376
Industrials	361,098	-	361,098
Consumer goods	268,000	-	268,000
Finance	641,613	-	641,613
Healthcare	428,861	-	428,861
Energy	328,132	-	328,132
Other	315,313	-	315,313
Mutual funds			
Domestic equity	21,615,047	-	21,615,047
International equity	14,614,165	-	14,614,165
U.S. fixed income	-	4,342,332	4,342,332
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 39,595,267	$ 4,342,332	$ 43,937,599
Alternative investments using NAV as practical expedient:			
Hedge equity funds			2,144,625
Hedge event driven funds			4,796,969
Hedge long/short funds			2,237,671
Real estate			1,297,893
TOTAL INVESTMENTS			$ 54,414,757

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value as of September 30, 2017 are classified in the table as follows:

	Level 1	Level 2	Total 2017
ASSETS CARRIED AT FAIR VALUE			
Investments:			
Money market funds	$ 466,209	$ -	$ 466,209
Common stocks			
Technology and media	1,416,770	-	1,416,770
Industrials	1,009,384	-	1,009,384
Consumer goods	914,241	-	914,241
Finance	1,122,691	-	1,122,691
Healthcare	763,741	-	763,741
Energy	2,314,577	-	2,314,577
Other	1,107,987	-	1,107,987
Mutual funds			
Domestic equity	12,679,540	-	12,679,540
International equity	14,777,608	-	14,777,608
U.S. fixed income	-	4,453,421	4,453,421
TOTAL ASSETS CARRIED AT FAIR VALUE	$ 36,572,748	$ 4,453,421	$ 41,026,169
Alternative investments using NAV as practical expedient:			
Hedge equity funds			3,029,663
Hedge event driven funds			4,593,814
Hedge long/short funds			1,118,515
TOTAL INVESTMENTS			$ 49,768,161

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

	2018	2017	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge equity funds	$ 2,144,625	$ 3,029,663	None	Immediately	Up to 90 days
Hedge event driven funds	4,796,969	4,593,814	None	Immediately	Up to 90 days
Hedge long/short funds	2,237,671	1,118,515	None	Immediately	Up to 90 days
Real estate	1,297,893	-	None	Immediately	None
	$ 10,477,158	$ 8,741,992			

NOTE 6 - PENSION PLANS

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 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, 2018 and 2017, the Club contributed $131,626 and $151,189, respectively.

Additionally, the Club sponsors 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.

NOTE 6 - PENSION PLANS (Continued)

The funded status of the Plan as of September 30 is as follows:

	2018	2017
Change in benefit obligation:		
Benefit obligation at beginning of the year	$ 11,163,948	$ 11,733,724
Interest cost	380,186	373,513
Actuarial (gain) loss	(464,757)	(330,038)
Benefits paid	(650,478)	(613,251)
Benefit obligation at end of year	10,428,899	11,163,948
Fair value of plan assets	9,024,255	8,547,066
Funded status	$ (1,404,644)	$ (2,616,882)
Accrued pension benefit obligation recognized in the consolidated statements of financial position	$ (1,404,644)	$ (2,616,882)

The components of the net periodic benefit cost for the years ended September 30 is as follows:

	2018	2017
Interest cost	$ 380,186	$ 373,513
Expected return on plan assets	(468,396)	(445,620)
Amortization of actuarial loss	314,370	428,619
Net periodic cost	$ 226,160	$ 356,512

The amounts recognized in the change in unrestricted net assets for the years ended September 30 is as follows:

	2018	2017
Net actuarial gain (loss)	$ (795,671)	$ (635,390)
Recognition of amortization of actuarial loss	(314,370)	(428,619)
	$ (1,110,041)	$ (1,064,009)

As of September 30, 2018 and 2017, the amounts recognized in unrestricted net assets consist of cumulative actuarial losses of $2,749,094 and $3,859,094, respectively. Employee census data as of October 1, 2017 was projected forward to the September 30, 2018 measurement date. The accumulated benefit obligation amounted to $10,428,899 and $11,163,948 as of September 30, 2018 and 2017, respectively.

Assumptions:

The weighted assumptions used as of and for the years ended September 30 is as follows:

	2018	2017
Benefit obligation:		
Discount rate	3.56%	3.24%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase	N/A	N/A
Net periodic pension cost:		
Discount rate	3.56%	3.24%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase	N/A	N/A

NOTE 6 - PENSION PLANS (Continued)

The Plan assets as of September 30 consist of the following:

	2018	2017
Cash and money funds	$ 451,213	$ 490,537
Common stocks	902,426	880,732
Mutual funds:		
Domestic equity	4,512,127	4,590,128
International equity	1,353,638	1,439,864
Fixed income	1,804,851	1,145,805
	$ 9,024,255	$ 8,547,066

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 does not expect to contribute to the Plan during the year ended September 30, 2019.

The projected benefit payments are as follows:

Year ending September 30:	
2019	$ 696,000
2020	612,000
2021	637,000
2022	641,000
2023	640,000
Next 5 years	3,233,000
	$ 6,459,000

The Club has the right under the Plan to terminate the Plan subject to the provisions of the Employee Retirement Income Act of 1974. On April 11, 2018, the Board of Trustees of the Club approved the termination of the Plan effective July 16, 2018. The costs associated with the liquidation of the plan will be absorbed by the Club, and the termination will not affect participants balances. The payout will be finalized April in 2019.

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:

	2018	2017
One year or less	$ 1,578,996	$ 337,750
One year to five years	525,000	25,000
	2,103,996	362,750
Less allowance for doubtful accounts	(27,900)	(26,700)
Less present value discount	(4,295)	(4,295)
	$ 2,071,801	$ 331,755

NOTE 8 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

	2018	2017
Clubhouses- social, cultural, health and physical development	$ 13,252	$ 20,793
Time and purpose restricted	2,800,642	2,034,204
Unappropriated endowment earnings	1,960,739	2,036,922
	$ 4,774,633	$ 4,091,919

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, 2018 and 2017.

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, 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 temporarily restricted until appropriated for operations by the Board.

Changes in endowment net assets for year ended September 30, 2018 are as follows:

	Temporarily Restricted	Permanently Restricted	Total 2018
Investment Activity:			
Interest and dividends	$ 434,394	$ -	$ 434,394
Realized and unrealized gains, net	1,019,275	-	1,019,275
Total investment activity	1,453,669	-	1,453,669
Amount appropriated by the Board	(1,529,852)	-	(1,529,852)
Total change	(76,183)	-	(76,183)
Balance, beginning of year	2,036,922	24,360,333	26,397,255
Balance, end of year	$ 1,960,739	$ 24,360,333	$ 26,321,072

NOTE 8 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (Continued)

Changes in endowment net assets for year ended September 30, 2017 are as follows:

	Temporarily Restricted	Permanently Restricted	Total 2017
Investment Activity:			
Interest and dividends	$ 568,133	$ -	$ 568,133
Realized and unrealized gains, net	2,971,596	-	2,971,596
Total investment activity	3,539,729	-	3,539,729
Other transfers	(2,834,239)	-	(2,834,239)
Amount appropriated by the Board	(2,031,557)	-	(2,031,557)
Total change	(1,326,067)	-	(1,326,067)
Balance, beginning of year	3,362,989	24,360,333	27,723,322
Balance, end of year	$ 2,036,922	$ 24,360,333	$ 26,397,255

Permanently restricted endowment net assets of $24,360,333 are included with investments in the consolidated statements of financial position as of both September 30, 2018 and 2017.

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 of September 30, 2018 and 2017.

NOTE 9 - ASSET RETIREMENT OBLIGATION

A. In accordance with FASB ASC 410-20 Accounting for Conditional Asset Retirement Obligations, the Club is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Under FASB ASC 405-20, costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets are required to be accrued. The Club identified asbestos abatement as a conditional asset retirement obligation for certain buildings and improvements and computes the present value of remediation costs to be a liability. As of September 30, 2018 and 2017, the obligation related to this amounted to $529,189 and $658,862, respectively.

B. In June 15, 2017, the Club sold land and building located at 850 Vosseller Avenue, Bridgewater Township, Somerset County, NJ for $7.5 million. As a part of the purchase agreement, the Club agreed to hold back, in escrow, $400,000 from the purchase price for environmental remediation. The escrowed monies may be used for any environmental remediation and all of the escrow fund can be spent if necessary. Upon the issuance of the area of concern response action response ("AOC, ROA"), any escrow monies still remaining after the payment of the remediation costs incurred to obtain the AOC RAO, shall be released to the Club. The escrow monies are $254,298 and $383,971 as of September 30, 2018 and 2017, and are included in prepaid expenses and other assets on the consolidated statements of financial position.

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, 2018 and 2017, there was approximately $593,000 and $7,444,000, respectively, of cash and cash equivalents held by one bank that exceeded FDIC limits.

NOTE 10 - CONCENTRATION AND CONTINGENCIES (Continued)

B. The Club believes it has no uncertain tax positions as of September 30, 2018 and 2017 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.

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 which expires October 31, 2019. The line of credit bears interest at the Variable Libor Rate plus 1.25 percent unless the borrower specifically requests a loan that bears interest at the Fixed Libor Rate plus 1.25%. Interest expense amounted to $6,463 for the year ended September 30, 2018. As of February 22, 2019, there was $500,000 of borrowings outstanding.

NOTE 12 – COMMITMENTS

The Club has entered into five-year agreements covering the period of January 1, 2017 through December 31, 2021 for the Boys Camp seasons with Palisades Interstate Park Commission. Total expenses related to these agreements amounted to approximately $13,000 for the year ended September 30, 2018. The remaining payments under this contract are as follows:

2019	$ 26,607
2020	26,607
2021	26,607
	$ 79,821

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated for potential recognition and disclosure events subsequent to the date of the consolidated statement of financial position through February 22, 2019, the date the consolidated financial statements were available to be issued.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2018 AND 2017

	As of September 30, 2018				As of September 30, 2017			
	Boys Club of New York	Camp Cromwell	Consolidating Eliminations	Consolidated Total 2018	Consolidated Total 2017	Boys Club of New York	Camp Cromwell	Consolidating Eliminations
ASSETS								
Cash and cash equivalents	$ 510,283	$ 136,051	$ -	$ 646,334	$ 7,679,508	$ 830,220	$ 6,849,288	$ -
Contributions receivable, net	2,071,801	-	-	2,071,801	331,755	331,755	-	-
Investments	47,734,535	6,680,222	-	54,414,757	49,768,161	49,768,161	-	-
Prepaid expenses and other assets	337,311	254,298	-	591,609	682,994	299,023	383,971	-
Due from related party	-	244,058	(244,058)	-	-	-	244,058	(244,058)
Beneficial interest in charitable remainder unitrust	1,583,216	-	-	1,583,216	1,544,419	1,544,419	-	-
Property and equipment, net	8,634,318	-	-	8,634,318	8,671,169	8,671,169	-	-
TOTAL ASSETS	$ 60,871,464	$ 7,314,629	$ (244,058)	$ 67,942,035	$ 68,678,006	$ 61,444,747	$ 7,477,317	$ (244,058)
LIABILITIES								
Accounts payable and accrued expenses	$ 205,616	$ -	$ -	$ 205,616	$ 173,472	$ 173,472	$ -	$ -
Deferred revenue	585,202	-	-	585,202	633,159	633,159	-	-
Due to related party	244,058	-	(244,058)	-	-	244,058	-	(244,058)
Accrued pension benefit obligation	1,404,644	-	-	1,404,644	2,616,882	2,616,882	-	-
Asset retirement obligation	529,189	-	-	529,189	658,862	658,862	-	-
TOTAL LIABILITIES	2,968,709	-	(244,058)	2,724,651	4,082,375	4,326,433	-	(244,058)
NET ASSETS								
Unrestricted								
Available for operations	20,662,660	7,314,629	-	27,977,289	28,131,072	20,653,755	7,477,317	-
Net investment in property and equipment	8,105,129	-	-	8,105,129	8,012,307	8,012,307	-	-
Total unrestricted	28,767,789	7,314,629	-	36,082,418	36,143,379	28,666,062	7,477,317	-
Temporarily restricted	4,774,633	-	-	4,774,633	4,091,919	4,091,919	-	-
Permanently restricted	24,360,333	-	-	24,360,333	24,360,333	24,360,333	-	-
TOTAL NET ASSETS	57,902,755	7,314,629	-	65,217,384	64,595,631	57,118,314	7,477,317	-
TOTAL LIABILITIES AND NET ASSETS	$ 60,871,464	$ 7,314,629	$ (244,058)	$ 67,942,035	$ 68,678,006	$ 61,444,747	$ 7,477,317	$ (244,058)

See independent auditors' report.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Boys Club of New York				Camp Cromwell	Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018
OPERATING REVENUE AND SUPPORT:									
Contributions	$ 3,141,809	$ 1,865,504	$ -	$ 5,007,313	$ -	$ 3,141,809	$ 1,865,504	$ -	$ 5,007,313
Special events (net of direct expenses of $303,768)	2,137,702	-	-	2,137,702	-	2,137,702	-	-	2,137,702
Investment return (net of investment management expenses of $109,522)	1,671,819	1,453,669	-	3,125,488	-	1,671,819	1,453,669	-	3,125,488
Food program, program fees and other	1,834,935	-	-	1,834,935	-	1,834,935	-	-	1,834,935
Net assets released from restrictions	1,145,404	(1,145,404)	-	-	-	1,145,404	(1,145,404)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	9,931,669	2,173,769	-	12,105,438	-	9,931,669	2,173,769	-	12,105,438
OPERATING EXPENSES:									
Program Services:									
Clubhouse activities	8,026,278	-	-	8,026,278	-	8,026,278	-	-	8,026,278
Camping	164,334	-	-	164,334	-	164,334	-	-	164,334
Physical education	502,372	-	-	502,372	-	502,372	-	-	502,372
Educational services	1,004,745	-	-	1,004,745	-	1,004,745	-	-	1,004,745
Food program and other	324,718	-	-	324,718	-	324,718	-	-	324,718
Total Program Services	10,022,447	-	-	10,022,447	-	10,022,447	-	-	10,022,447
Supporting Services:									
Management and general	1,437,064	-	-	1,437,064	-	1,437,064	-	-	1,437,064
Fundraising	1,138,562	-	-	1,138,562	-	1,138,562	-	-	1,138,562
Total Supporting Services	2,575,626	-	-	2,575,626	-	2,575,626	-	-	2,575,626
TOTAL OPERATING EXPENSES	12,598,073	-	-	12,598,073	-	12,598,073	-	-	12,598,073
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(2,666,404)	2,173,769	-	(492,635)	-	(2,666,404)	2,173,769	-	(492,635)
NON-OPERATING ACTIVITIES:									
Investment return in excess of amount used for operations	1,407,224	(1,529,852)	-	(122,628)	(33,015)	1,374,209	(1,529,852)	-	(155,643)
Bequests	121,193	-	-	121,193	-	121,193	-	-	121,193
Change in value of beneficial trust	-	38,797	-	38,797	-	-	38,797	-	38,797
TOTAL NON-OPERATING ACTIVITIES	1,528,417	(1,491,055)	-	37,362	(33,015)	1,495,402	(1,491,055)	-	4,347
CHANGE IN NET ASSETS BEFORE PENSION RELATED CHANGES AND OTHER ITEMS	(1,137,987)	682,714	-	(455,273)	(33,015)	(1,171,002)	682,714	-	(488,288)
Pension related changes other than net periodic pension costs	1,110,041	-	-	1,110,041	-	1,110,041	-	-	1,110,041
Change in asset retirement obligation	129,673	-	-	129,673	(129,673)	-	-	-	-
CHANGE IN TOTAL NET ASSETS	101,727	682,714	-	784,441	(162,688)	(60,961)	682,714	-	621,753
Net assets - beginning of year	28,666,062	4,091,919	24,360,333	57,118,314	7,477,317	36,143,379	4,091,919	24,360,333	64,595,631
NET ASSETS - END OF YEAR	$ 28,767,789	$ 4,774,633	$ 24,360,333	$ 57,902,755	$ 7,314,629	$ 36,082,418	$ 4,774,633	$ 24,360,333	$ 65,217,384

See independent auditors' report.

THE BOYS' CLUB OF NEW YORK
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Boys Club of New York				Camp Cromwell		Consolidated Total			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total Unrestricted	Consolidating Eiminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017
OPERATING REVENUE AND SUPPORT:										
Contributions	$ 1,474,868	$ 560,838	$ -	$ 2,035,706	$ -	$ -	$ 1,474,868	$ 560,838	$ -	$ 2,035,706
Special events (net of direct expenses of $427,927)	3,218,235	-	-	3,218,235	-	-	3,218,235	-	-	3,218,235
Investment return (net of investment management expenses of $237,654)	3,000,000	568,133	-	3,568,133	14,099	-	3,014,099	568,133	-	3,582,232
Food program, program fees and other	951,795	-	-	951,795	-	-	951,795	-	-	951,795
Grant income	-	-	-	-	45,951	(45,951)	-	-	-	-
Gain on sale of property and equipment	-	-	-	-	431,483	-	431,483	-	-	431,483
Net assets released from restrictions	932,114	(932,114)	-	-	-	-	932,114	(932,114)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	9,577,012	196,857	-	9,773,869	491,533	(45,951)	10,022,594	196,857	-	10,219,451
OPERATING EXPENSES:										
Program Services:										
Clubhouse activities	7,866,792	-	-	7,866,792	-	-	7,866,792	-	-	7,866,792
Camping	45,951	-	-	45,951	599,224	(45,951)	599,224	-	-	599,224
Physical education	557,863	-	-	557,863	-	-	557,863	-	-	557,863
Educational services	1,018,424	-	-	1,018,424	-	-	1,018,424	-	-	1,018,424
Food program and other	335,418	-	-	335,418	-	-	335,418	-	-	335,418
Total Program Services	9,824,448	-	-	9,824,448	599,224	(45,951)	10,377,721	-	-	10,377,721
Supporting Services:										
Management and general	1,334,454	-	-	1,334,454	-	-	1,334,454	-	-	1,334,454
Fundraising	1,055,192	-	-	1,055,192	-	-	1,055,192	-	-	1,055,192
Total Supporting Services	2,389,646	-	-	2,389,646	-	-	2,389,646	-	-	2,389,646
TOTAL OPERATING EXPENSES	12,214,094	-	-	12,214,094	599,224	(45,951)	12,767,367	-	-	12,767,367
(DEFICIT) EXCESS OF OPERATING REVENUE AND SUPPORT OVER OPERATING EXPENSES	(2,637,082)	196,857	-	(2,440,225)	(107,691)	-	(2,744,773)	196,857	-	(2,547,916)
NON-OPERATING ACTIVITIES:										
Investment return in excess of amount used for operations	4,384,413	(1,326,067)	-	3,058,346	-	-	4,384,413	(1,326,067)	-	3,058,346
Bequests	55,650	-	-	55,650	-	-	55,650	-	-	55,650
Change in value of beneficial trust	-	77,270	-	77,270	-	-	-	77,270	-	77,270
TOTAL NON-OPERATING ACTIVITIES	4,440,063	(1,248,797)	-	3,191,266	-	-	4,440,063	(1,248,797)	-	3,191,266
CHANGE IN NET ASSETS BEFORE PENSION RELATED CHANGES AND OTHER ITEMS	1,802,981	(1,051,940)	-	751,041	(107,691)	-	1,695,290	(1,051,940)	-	643,350
Pension related changes other than net periodic pension costs	1,064,009	-	-	1,064,009	-	-	1,064,009	-	-	1,064,009
Change in asset retirement obligation	171,784	-	-	171,784	-	-	171,784	-	-	171,784
CHANGE IN TOTAL NET ASSETS	3,038,774	(1,051,940)	-	1,986,834	(107,691)	-	2,931,083	(1,051,940)	-	1,879,143
Net assets - beginning 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
NET ASSETS - END OF YEAR	$ 28,666,062	$ 4,091,919	$ 24,360,333	$ 57,118,314	$ 7,477,317	$ -	$ 36,143,379	$ 4,091,919	$ 24,360,333	$ 64,595,631

See independent auditors' report.