EISNERAMPER

THE YOUNG MEN'S AND YOUNG WOMEN'S HEBREW ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Young Men's and Young Women's Hebrew Association
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of The Young Men's and Young Women's Hebrew Association (the "92Y"), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The 92Y's management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the 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 organization's preparation and fair presentation of the 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 organization'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 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 financial statements referred to above present fairly, in all material respects, the financial position of The Young Men's and Young Women's Hebrew Association as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
November 29, 2018

THE YOUNG MEN'S AND YOUNG WOMEN'S HEBREW ASSOCIATION

Statements of Financial Position
(in thousands)

	June 30, 2018	June 30, 2017
ASSETS		
Cash and cash equivalents	**$ 2,286**	$ 1,459
Accounts and other receivables, net	**567**	870
Contributions receivable, net	**50,843**	42,949
Investments	**34,106**	34,607
Prepaid expenses and other assets	**2,841**	2,923
Property and equipment, net	**27,851**	25,381
	$ 118,494	$ 108,189
LIABILITIES		
Accounts payable and accrued expenses	**$ 6,537**	$ 6,225
Security deposits payable	**106**	112
Deferred revenue	**13,737**	13,900
	20,380	20,237
Commitments and contingency (see Note M)		
NET ASSETS		
Unrestricted (see Note F)	**(6,528)**	(8,346)
Temporarily restricted	**48,188**	39,968
Permanently restricted	**56,454**	56,330
	98,114	87,952
	$ 118,494	$ 108,189

THE YOUNG MEN'S AND YOUNG WOMEN'S HEBREW ASSOCIATION

Statements of Activities
(in thousands)

	Year Ended June 30,							
	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Contributions and grants (including in-kind gifts of $180 in 2018 and $299 in 2017, respectively)	**$ 10,636**	**$ 19,519**	**$ 295**	**$ 30,450**	$ 8,083	$ 13,353	$ 3,758	$ 25,194
Annual events (net of direct benefit to donors of $1,682 in 2018 and $1,532 in 2017, respectively)	**4,362**	**-**	**-**	**4,362**	4,537	-	-	4,537
Program service revenue	**34,305**	**-**	**-**	**34,305**	33,396	-	-	33,396
Investment (loss) income, net	**(73)**	**1,650**	**24**	**1,601**	(2,552)	4,058	20	1,526
Rental and other revenue	**9,220**	**-**	**-**	**9,220**	9,326	-	-	9,326
Support and revenue before net assets released from restrictions	**58,450**	**21,169**	**319**	**79,938**	52,790	17,411	3,778	73,979
Net assets released from restrictions:								
Satisfaction of program restrictions	**7,892**	**(7,892)**	**-**	**-**	11,180	(11,180)	-	-
Satisfaction of capital restrictions	**5,227**	**(5,227)**	**-**	**-**	1,326	(1,326)	-	-
Modification of contribution designation	**-**	**195**	**(195)**	**-**	15,000	-	(15,000)	-
Recovery of underwater funds	**25**	**(25)**	**-**	**-**	1,657	(1,657)	-	-
Total support and revenue	**71,594**	**8,220**	**124**	**79,938**	81,953	3,248	(11,222)	73,979
Expenses:								
Program services:								
Educational Outreach	**1,207**			**1,207**	1,268			1,268
Gilda and Henry Block School of the Arts	**8,804**			**8,804**	8,518			8,518
Bronfman Center for Jewish Life	**2,054**			**2,054**	2,646			2,646
Tisch Center for the Arts	**5,300**			**5,300**	5,276			5,276
Charles Simon Center for Adult Life and Learning	**9,240**			**9,240**	9,003			9,003
Lillian and Sol Goldman Family Center for Youth and Family	**15,652**			**15,652**	15,063			15,063
May Center for Health, Fitness and Sport	**12,325**			**12,325**	11,944			11,944
Milstein and Rosenthal Center for Media and Technology	**76**			**76**	107			107
Agency Wide Initiatives	**1,249**			**1,249**	1,106			1,106
Belfer Center for Innovation and Social Impact	**3,118**			**3,118**	2,482			2,482
Total program services	**59,025**			**59,025**	57,413			57,413
Supporting services:								
Management and general	**6,077**			**6,077**	4,629			4,629
Fund-raising	**4,120**			**4,120**	4,122			4,122
Total supporting services	**10,197**			**10,197**	8,751			8,751
Total expenses before significant one-time events	**69,222**	**-**	**-**	**69,222**	66,164	-	-	66,164
Change in net assets before significant one-time events	**2,372**	**8,220**	**124**	**10,716**	15,789	3,248	(11,222)	7,815
Expenses associated with significant one-time events (see Note F)	**(554)**	**-**	**-**	**(554)**	(1,990)	-	-	(1,990)
Change in net assets	**1,818**	**8,220**	**124**	**10,162**	13,799	3,248	(11,222)	5,825
Net assets, beginning of year	**(8,346)**	**39,968**	**56,330**	**87,952**	(22,145)	36,720	67,552	82,127
Net assets, end of year (Note F)	**$ (6,528)**	**$ 48,188**	**$ 56,454**	**$ 98,114**	$ (8,346)	$ 39,968	$ 56,330	$ 87,952

See accompanying notes to the financial statements.

THE YOUNG MEN'S AND YOUNG WOMEN'S HEBREW ASSOCIATION

Statements of Functional Expenses
Years Ended June 30, 2018 and 2017
(in thousands)

	Program Services											Supporting Services			
	Educational Outreach	Gilda and Henry Block School of the Arts	Bronfman Center for Jewish Life	Tisch Center for the Arts	Charles Simon Center for Adult Life and Learning	Lillian and Sol Goldman Family Center for Youth and Family	May Center for Health, Fitness and Sport	Milstein and Rosenthal Center for Media and Technology	Agency Wide Initiatives	Belfer Center for Innovation and Social Impact	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Total
June 30, 2018:															
Salaries	**$ 775**	**$ 5,026**	**$ 1,158**	**$ 2,373**	**$ 4,209**	**$ 7,941**	**$ 5,317**	**$ 13**	**$ 627**	**$ 842**	**$ 28,281**	**$ 1,973**	**$ 2,763**	**$ 4,736**	**$ 33,017**
Employee benefits and payroll taxes	**131**	**986**	**287**	**774**	**1,175**	**1,822**	**1,144**	**4**	**196**	**237**	**6,756**	**648**	**867**	**1,515**	**8,271**
Total employee expenses	**906**	**6,012**	**1,445**	**3,147**	**5,384**	**9,763**	**6,461**	**17**	**823**	**1,079**	**35,037**	**2,621**	**3,630**	**6,251**	**41,288**
Professional fees	**116**	**1,047**	**220**	**1,110**	**1,255**	**822**	**2,703**	**13**	**101**	**1,365**	**8,752**	**244**	**187**	**431**	**9,183**
Office expenses	**42**	**178**	**55**	**160**	**236**	**365**	**283**	**14**	**17**	**136**	**1,486**	**73**	**70**	**143**	**1,629**
Food, supplies, external rental, and travel	**80**	**343**	**77**	**244**	**169**	**2,726**	**625**	**2**	**139**	**400**	**4,805**	**53**	**193**	**246**	**5,051**
Marketing expenses	**-**	**264**	**23**	**401**	**171**	**186**	**117**	**-**	**31**	**34**	**1,227**	**10**	**21**	**31**	**1,258**
Repairs, maintenance, and occupancy	**15**	**334**	**82**	**76**	**1,057**	**483**	**1,031**	**7**	**70**	**23**	**3,178**	**-**	**-**	**-**	**3,178**
Miscellaneous expenses	**46**	**415**	**99**	**149**	**408**	**919**	**549**	**1**	**67**	**76**	**2,729**	**481**	**19**	**500**	**3,229**
Depreciation and amortization	**2**	**211**	**53**	**13**	**560**	**388**	**556**	**22**	**1**	**5**	**1,811**	**2,595**	**-**	**2,595**	**4,406**
Total	**1,207**	**8,804**	**2,054**	**5,300**	**9,240**	**15,652**	**12,325**	**76**	**1,249**	**3,118**	**59,025**	**6,077**	**4,120**	**10,197**	**69,222**
Total one-time costs (See Note F)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**554**	**-**	**554**	**554**
Total expenses	**$ 1,207**	**$ 8,804**	**$ 2,054**	**$ 5,300**	**$ 9,240**	**$ 15,652**	**$ 12,325**	**$ 76**	**$ 1,249**	**$ 3,118**	**$ 59,025**	**$ 6,631**	**$ 4,120**	**$ 10,751**	**$ 69,776**
June 30, 2017:															
Salaries	$ 827	$ 4,709	$ 1,494	$ 2,261	$ 3,795	$ 7,458	$ 5,029	$ 29	$ 666	$ 761	$ 27,029	$ 1,392	$ 2,633	$ 4,025	$ 31,054
Employee benefits and payroll taxes	149	923	361	755	1,051	1,596	1,051	7	163	207	6,263	341	845	1,186	7,449
Total employee expenses	976	5,632	1,855	3,016	4,846	9,054	6,080	36	829	968	33,292	1,733	3,478	5,211	38,503
Professional fees	134	1,003	261	1,111	1,286	851	2,513	10	54	1,043	8,266	203	235	438	8,704
Office expenses	43	175	69	119	255	381	279	7	21	165	1,514	88	85	173	1,687
Food, supplies, external rental, and travel	89	362	137	299	266	2,778	680	4	122	198	4,935	30	196	226	5,161
Marketing expenses	1	430	54	498	227	173	193	1	28	10	1,615	21	33	54	1,669
Repairs, maintenance, and occupancy	16	351	86	82	1,114	526	1,075	8	7	25	3,290	-	1	1	3,291
Miscellaneous expenses	7	369	130	137	410	886	518	3	43	68	2,571	74	94	168	2,739
Depreciation and amortization	2	196	54	14	599	414	606	38	2	5	1,930	2,480	-	2,480	4,410
Total	1,268	8,518	2,646	5,276	9,003	15,063	11,944	107	1,106	2,482	57,413	4,629	4,122	8,751	66,164
Total one-time costs (See Note F)	-	-	-	-	-	-	-	-	-	-	-	1,990	-	1,990	1,990
Total expenses	$ 1,268	$ 8,518	$ 2,646	$ 5,276	$ 9,003	$ 15,063	$ 11,944	$ 107	$ 1,106	$ 2,482	$ 57,413	$ 6,619	$ 4,122	$ 10,741	$ 68,154

See accompanying notes to the financial statements.

THE YOUNG MEN'S AND YOUNG WOMEN'S HEBREW ASSOCIATION

Statements of Cash Flows
(in thousands)

	Year Ended June 30, 2018	Year Ended June 30, 2017
Cash flows from operating activities:		
Change in net assets	**$ 10,162**	$ 5,825
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**4,406**	4,410
Change in allowance for uncollectible accounts	**393**	301
Net realized and unrealized gains on investments	**(1,251)**	(1,226)
Net unrealized gain on charitable remainder unitrusts	**(99)**	(165)
Permanently restricted contributions	**(30)**	(3,226)
Loss on disposal of property and equipment	**6**	-
Changes in:		
Accounts and other receivables	**199**	725
Contributions receivable, net	**(8,084)**	(2,637)
Prepaid expenses and other assets	**82**	447
Accounts payable and accrued expenses	**420**	(1,797)
Security deposits payable	**(6)**	(24)
Deferred revenue	**(163)**	162
Net cash provided by operating activities	**6,035**	2,795
Cash flows from investing activities:		
Proceeds from sales and redemptions of investments	**6,785**	7,659
Donated note receivable	**-**	(1,309)
Redemption of note receivable	**327**	-
Purchases of investments	**(5,360)**	(7,602)
Purchases of property and equipment	**(6,882)**	(5,753)
Net cash used in investing activities	**(5,130)**	(7,005)
Cash flows from financing activities:		
Permanently restricted contributions	**30**	3,226
Principal payments under capital lease obligations	**(108)**	(98)
Net cash (used in) provided by financing activities	**(78)**	3,128
Change in cash and cash equivalents	**827**	(1,082)
Cash and cash equivalents, beginning of year	**1,459**	2,541
Cash and cash equivalents, end of year	**$ 2,286**	$ 1,459
Supplemental disclosure of cash-flow information:		
Interest paid on capital lease obligation	**$ 36**	$ 45
Donated goods and services	**$ 180**	$ 299
Capital expenditures included in accounts payable and accrued expenses	**$ 43**	$ -

See accompanying notes to the financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF ITS SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

The Young Men's and Young Women's Hebrew Association (the "92Y") is a New York City community and cultural center, incorporated in New York on September 15, 1874, that seeks to create, provide and disseminate programs of distinction that foster the physical and mental health of people throughout their lives, as well as their educational and spiritual growth and their enjoyment of life.

Founded more than a century ago to serve the Jewish people, the 92Y promotes individual and family development and participation in civic life, within the context of Jewish values and American pluralism. The 92Y reaches out beyond its core constituency of American Jews to serve people of diverse racial, religious, ethnic and economic backgrounds, seeking partnerships that leaven its programs and broaden its influence.

The 92Y is incorporated as a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under comparable laws.

[2] Basis of accounting:

The financial statements of the 92Y have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenue, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

For financial reporting purposes, the 92Y considers all highly liquid financial investments, purchased with a maturity of three months or less, to be cash equivalents, except for working capital held in money market funds that are held as part of the investment portfolio.

[5] Investments:

The 92Y's investments in mutual funds are reported at their fair values in the statements of financial position at each fiscal year-end, based on quoted market prices. Cash and money-market funds held as working capital as part of the 92Y's investment portfolio are included in the balances reported as investments.

The 92Y also has investments in limited partnerships, which are considered to be alternative investments, for which readily determinable fair values do not exist. The fair value of the alternative investments has been estimated based on the respective net asset value ("NAV") per share (or its equivalent unit) of each investment, as reported by the particular investment manager. Because of the complex management structures and nature of the underlying investments and the inherent uncertainty of the valuation of the alternative investments, the 92Y reviews and evaluates the values provided by the investment managers and believes the reported amounts of the investments in limited partnerships to be reasonable estimates of fair value at NAV as a practical expedient to fair value. Management believes the carrying amount of the investments in non-publicly traded securities is a reasonable estimate of their fair value. However, such estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed.

NOTE A - ORGANIZATION AND SUMMARY OF ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments: (continued)

The 92Y's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in unrestricted net assets unless their use is restricted on a temporary or permanent basis through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost at the time of acquisition to proceeds at the time of disposition. Distributions from limited partnerships that represent returns of contributed capital reduce the cumulative costs basis of the respective investment. Distributions received from limited partnerships in excess of the 92Y's cumulative cost basis are recognized as realized gains. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

The 92Y maintains an investment portfolio advisor to provide services with respect to its investment portfolio. These activities include providing monthly reporting and research and advisory services, as well as providing recommendations with respect to fund managers, asset allocation and investment policy. Decisions with respect to fund managers, asset allocation, and investment policy require the approval of the Committees of the Board of Directors.

During the year ended June 30, 2017, the 92Y received a contribution in the form of a subordinated term note with a principal value of $1,309,000 paying 4% interest per annum and payable in annual installments through 2020. 92Y continues to value the donation at principal, which is the conservative estimate of its recoverable value.

Donated securities are recorded at their estimated fair values, on the dates of donation or by their net asset values as determined by the 92Y's management. The 92Y's policy is to sell donated securities immediately, and accordingly, for purposes of the statement of cash flows, donated securities received and sold in the same year are reported within operating activities.

[6] Property and equipment:

Property and equipment are stated at their original costs on the dates of acquisition, or, if contributed, at their fair values on the dates of donation. The 92Y capitalizes items of property and equipment that have a cost of $1,000 or more and a useful life of more than one year, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of building improvements and furniture and equipment is provided over the estimated useful lives of the respective assets, using the straight-line method. Buildings and improvements are being depreciated over a range from 7 to 30 years, and furniture and equipment are being depreciated over 5 to 15 years. Capital leases are amortized over the length of the lease or the life of the equipment, whatever is shorter. Land is not depreciated.

Management evaluates the recoverability of investments in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2018 and 2017, respectively, and, in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

NOTE A - ORGANIZATION AND SUMMARY OF ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Accrued vacation and retirement:

Based on their tenure and an annual carryover provision of five months, employees are entitled to be paid for unused vacation time if they leave the organization. Accordingly, at each year-end, the 92Y must recognize a liability for the amount that would be incurred if employees with such unused vacation were to leave. At June 30, 2018 and 2017, this accrued vacation obligation was approximately $355,000 and $340,000, respectively, and is included in accounts payable and accrued expenses in the statements of financial position. In addition, certain union employees are entitled to receive severance benefits based on tenure, age and evidence of receiving full scope social security benefits. The 92Y accrues an expense at year-end for the employees that are known to have met all the criteria above and is included in accounts payable and accrued expenses in the statements of financial position.

[8] Net assets:

The net assets of the 92Y and changes therein are classified and reported as follows:

(i) Unrestricted:

Unrestricted net assets represent those resources that have no donor restrictions as to their use.

(ii) Temporarily restricted:

Temporarily restricted net assets represent those resources that are subject to the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") (see Note A[9]), as well as those resources for which the use has been restricted by donors to specific purposes or by the passage of time. When a donors restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Directors, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as "net assets released from restrictions."

Contributions for capital expenditures are considered temporarily restricted contributions. Restrictions are considered released once the project is completed and the assets are placed in service.

(iii) Permanently restricted:

Permanently restricted net assets represent resources with donor-imposed restrictions that stipulate that the resources be maintained in perpetuity, but which permit the 92Y to expend part or all of the income and capital appreciation derived from the donated resources for either donor-specified or unspecified purposes, as appropriate. Under the terms of NYPMIFA, those earnings are classified as temporarily restricted in the statements of activities, pending appropriations by the Board of Directors.

[9] Applicability of NYPMIFA:

The terms of NYPMIFA are applicable to the 92Y. NYPMIFA principally addresses (i) the management and investment of all of a not-for-profit entity's "institutional funds" (which are mainly the financial assets of the entity and which exclude programmatic assets such as buildings or operating facilities), and (ii) the appropriations by the governing board of earnings derived from donor-restricted endowment funds. NYPMIFA requires all of the financial resources of the entity to be used in a "prudent" fashion, with the express approval and action of the governing board.

NOTE A - ORGANIZATION AND SUMMARY OF ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] Revenue recognition:

(i) Contributions, gifts and pledges:

Contributions to the 92Y are recorded as revenue upon the receipt of an unconditional pledge, cash or other assets. Contributions are recorded as either temporarily or permanently restricted if they are received with donor stipulations or time considerations as to their use. Contributions to be received after one year are discounted to present value at an appropriate interest rate commensurate with the risk involved. An allowance for uncollectible pledges receivable is provided, using management's judgment of potential defaults, which considers factors such as prior collection history, type of contribution and the nature of fund-raising activity. Contributions can be restricted for a specific purpose or passage of time.

(ii) Membership dues:

Membership dues and program service fee revenues are recognized as income in the period in which the underlying services are provided. Fees received for future year's programs are deferred and subsequently recognized as revenue as the programs take place.

(iii) Rental revenue:

Rental revenue from the use of the facilities of the 92Y and of the De Hirsch residence is recognized when services are rendered, in accordance with the applicable contractual provisions.

(iv) Donated goods and services:

For recognition of donated goods and services in the 92Y's financial statements, such goods or services must (i) create or enhance non-financial assets, and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must (i) require a specialized skill, and (ii) be provided by individuals possessing these skills. Donated goods and services are recorded as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Donated goods and services are reported as both contributions and offsetting expenses in the statements of activities (see Notes J and L).

(v) Annual Events:

From time-to-time the 92Y holds fund-raising events. A portion of the gross proceeds paid by the attendees of the event represents payment for the direct cost of the benefits received by the attendees at the event. Such annual-event surplus is reported net of the direct costs of the event that are attributable to the benefit that the donors receive referred to as "direct benefit to donor."

[11] Charitable split-interest agreements:

The 92Y is the beneficiary of charitable remainder unitrusts. A charitable remainder unitrust gift is a time-restricted contribution that is not available to the 92Y until after the death of the donor, who, while living, receives an annual payout from the trust based on a fixed percentage of the market value of the invested funds on June 30 of each year. An unrelated third-party trustee holds the invested funds.

The 92Y is also the beneficiary of a charitable lead annuity trust ("CLAT") for which it does not serve as a trustee. Under the terms of the CLAT, 92Y will receive annual distributions of approximately $78,000 over the 20-year life of the CLAT, which began in fiscal-year 2013, after which, the trust will terminate.

NOTE A - ORGANIZATION AND SUMMARY OF ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Charitable split-interest agreements: (continued)

The present value of the future benefits to be received by the 92Y have been included in pledges receivable in the statements of financial position. The changes in the present value are reported as an increase or decrease in the temporarily restricted net assets.

[12] Functional allocation of expenses:

The expenses of providing the 92Y's various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the program and supporting services categories in ratios determined by management using the following bases: salary hour, square footage, and utilization of resources by department.

[13] Income tax uncertainties:

The 92Y follows the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes,* as it relates to accounting and reporting for uncertainty in income taxes. Because the 92Y has always recorded the potential liability for unrelated business income taxes related to its investment income and advertising income, and, due to its general not-for-profit status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the 92Y's financial statements.

[14] Upcoming accounting change:

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 will amend financial-statement presentations and disclosures, with the goal of assisting not-for-profit organizations in providing more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, (iv) liquidity and availability of resources, and (v) the presentation of operating cash flows. The new standard will be effective for years beginning after December 15, 2017. The 92Y will adopt this pronouncement for fiscal-year 2019.

[15] Subsequent events:

The 92Y has evaluated subsequent events through November 29, 2018, the date on which the financial statements were available to be issued.

NOTE B - CONTRIBUTIONS RECEIVABLE

At each fiscal year-end, contributions receivable were due to be collected as follows:

	June 30, 2018	June 30, 2017
	(in thousands)	
Less than one year	**$ 10,790**	$ 8,701
One to five years	**26,130**	19,608
	36,920	28,309
Less discount to present value with rates ranging from 1% to 6%	**(1,913)**	(1,031)
	35,007	27,278
Less allowance for doubtful accounts	**(296)**	(199)
	34,711	27,079
Charitable remainder unitrusts	**17,533**	17,435
Less discount to present value	**(2,368)**	(2,593)
	15,165	14,842
Charitable lead annuity trust	**1,090**	1,168
Less discount to present value	**(123)**	(140)
	967	1,028
	$ 50,843	$ 42,949

The 92Y periodically assesses the collectability of its contributions and provides allowances for anticipated losses, when necessary.

In fiscal-years 2018 and 2017, 92Y wrote-off contributions receivable against its allowance of $172,000 and $400,000, respectively.

NOTE C - ACCOUNTS AND OTHER RECEIVABLES

At each fiscal year-end, accounts and other receivables were due to be collected as follows:

	June 30, 2018	June 30, 2017
	(in thousands)	
Accounts receivable	**$ 569**	$ 720
Accounts receivable - Health and Fitness	**14**	16
Accounts receivable - Youth and Family	**108**	154
	691	890
Less allowance for doubtful accounts	**(124)**	(20)
	$ 567	$ 870

NOTE C - ACCOUNTS AND OTHER RECEIVABLES (CONTINUED)

The 92Y periodically assesses the collectability of its other receivables and provides allowances for anticipated losses, when necessary.

In fiscal-years 2018 and 2017, 92Y wrote-off accounts and other receivables against its allowance of $20,000 and $75,000, respectively.

NOTE D - INVESTMENTS AND CHARITABLE SPLIT-INTEREST AGREEMENTS

At each fiscal year-end, the costs and fair values of investments were as follows:

	June 30,			
	2018		2017	
	Fair Value	Cost	Fair Value	Cost
	(in thousands)			
Working capital - cash and money-market funds	**$ 6,084**	**$ 6,084**	$ 6,416	$ 6,416
Investments in limited partnerships:				
Equities and fixed income	**15,040**	**12,334**	18,419	26,705
Private equity	**160**	**499**	133	499
Mutual funds:				
Equity securities	**8,511**	**7,302**	6,953	5,676
Fixed-income	**2,637**	**2,650**	716	1,356
Exchange traded	**692**	**648**	661	646
Donated note receivable	**982**	**982**	1,309	1,309
	$ 34,106	**$ 30,499**	$ 34,607	$ 42,607

Investment income earned during each fiscal year consisted of the following:

	Year Ended June 30,	
	2018	2017
	(in thousands)	
Interest, dividends and capital gain dividends, net	**$ 251**	$ 135
Net realized (losses) gains on sales of investments	**(10,356)**	844
Net unrealized gains on investments	**11,607**	382
Net unrealized gains on charitable remainder unitrusts	**99**	165
	$ 1,601	$ 1,526

Investment income is reported net of investment, management, performance and custodial fees of approximately $331,000 and $391,000 for fiscal-years 2018 and 2017, respectively. These are specific fees charged by 92Y's various investment managers in each fiscal year and do not include other fees that may be embedded in various other investment accounts and transactions.

NOTE D - INVESTMENTS AND CHARITABLE SPLIT-INTEREST AGREEMENTS (CONTINUED)

At June 30, 2018, concentrations of the 92Y's category of investments in excess of 10% of the fair-value of its portfolio included approximately 44% invested in equities and fixed income limited partnerships, 25% in equity security mutual funds, and 18% in cash and money-market funds. At June 30, 2017, concentrations of the 92Y's category of investments in excess of 10% of the fair-value of its portfolio included approximately 53% invested in equities and fixed income limited partnerships, 20% in equity security mutual funds, and 19% in cash and money-market funds.

ASC Topic 820, *Fair Value Measurements,* establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value levels:

Level 1 - Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets, at the reporting date.

Level 2 - Valuations are based on (i) quoted prices for similar assets in active markets, or (ii) quoted prices for those assets, or similar assets, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where there is little, if any, market activity for the assets, or the assets cannot be independently valued.

Certain of the 92Y's investments are valued using NAV per share (or its equivalent unit) as a practical expedient of fair value. This applies to investments (i) which do not have a readily determinable fair value and (ii) the financial statements of which were prepared by the respective investment managers, in a manner consistent with the measurement principles of either an investment company or an entity which has the attributes of an investment company. Investments that are valued using NAV per share (or its equivalent unit) are not required to be categorized within the fair-value hierarchy and, accordingly, have been excluded from the fair-value hierarchy.

The availability of available market data is monitored by the 92Y's management to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. For fiscal-years 2018 and 2017, there were no transfers among fair-value hierarchy levels.

NOTE D - INVESTMENTS AND CHARITABLE SPLIT-INTEREST AGREEMENTS (CONTINUED)

The following tables summarize the fair values of the 92Y's assets at each fiscal year-end, in accordance with the ASC Topic 820 fair-value hierarchy levels:

	June 30, 2018				
	Amounts within Fair-Value Hierarchy		(in thousands)		
	Level 1	Level 3	Total	Valued at NAV	Total
Working capital - cash and money-market funds	$ 6,084	$ -	$ 6,084	$ -	$ 6,084
Investments in limited partnerships:					
Equities and fixed income funds	-	-	-	15,040	15,040
Private equity fund	-	-	-	160	160
Mutual funds:					
Equity securities	8,511	-	8,511	-	8,511
Fixed-income funds	2,637	-	2,637	-	2,637
Exchange traded funds	692	-	692	-	692
Donated note receivable	-	982	982	-	982
Total investments	$ 17,924	$ 982	$ 18,906	$ 15,200	$ 34,106
Charitable remainder unitrusts	$ -	$ 15,165	$ 15,165	$ -	$ 15,165
Charitable lead annuity trust	-	967	967	-	967
Total charitable split-interest agreements	$ -	$ 16,132	$ 16,132	$ -	$ 16,132

	June 30, 2017				
	Amounts within Fair-Value Hierarchy		(in thousands)		
	Level 1	Level 3	Total	Valued at NAV	Total
Working capital - cash and money-market funds	$ 6,416	$ -	$ 6,416	$ -	$ 6,416
Investments in limited partnerships:					
Equities and fixed income funds	-	-	-	18,419	18,419
Private equity fund	-	-	-	133	133
Mutual funds:					
Equity securities	6,953	-	6,953	-	6,953
Fixed-income funds	716	-	716	-	716
Exchange traded funds	661	-	661	-	661
Donated note receivable	-	1,309	1,309	-	1,309
Total investments	$ 14,746	$ 1,309	$ 16,055	$ 18,552	$ 34,607
Charitable remainder unitrusts	$ -	$ 14,842	$ 14,842	$ -	$ 14,842
Charitable lead annuity trust	-	1,028	1,028	-	1,028
Total charitable split-interest agreements	$ -	$ 15,870	$ 15,870	$ -	$ 15,870

NOTE D - INVESTMENTS AND CHARITABLE SPLIT-INTEREST AGREEMENTS (CONTINUED)

The following tables summarize the changes in the fair-values of the 92Y's Level 3 assets during fiscal-years 2018 and 2017:

	Year Ended June 30, 2018		
	Donated Note Receivable	Charitable Remainder Unitrusts	Charitable Lead Annuity Trust
		(in thousands)	
Balance, July 1, 2017	**$ 1,309**	**$ 14,842**	**$ 1,028**
Unrealized gains	**-**	**99**	**-**
Distributions	**-**	**-**	**(78)**
Redemptions	**(327)**	**-**	**-**
Change in the value of split-interest agreements	**-**	**224**	**17**
Balance, June 30, 2018	**$ 982**	**$ 15,165**	**$ 967**

	Year Ended June 30, 2017		
	Donated Note Receivable	Charitable Remainder Unitrusts	Charitable Lead Annuity Trust
		(in thousands)	
Balance, July 1, 2016	$ -	$ 14,999	$ 1,088
Contributions	1,309	-	-
Unrealized gains	-	165	-
Distributions	-	-	(78)
Change in the value of split-interest agreements	-	(322)	18
Balance, June 30, 2017	$ 1,309	$ 14,842	$ 1,028

Qualification of unobservable inputs (in thousands):

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range
Charitable remainder unitrusts	15,165	Fair value of underlying trust assets	Expected recovery	N/A
Charitable lead annuity trust	967	Discounted future cash flows	Mortality rate/ discount rate	N/A
Donated note receivable	982	Relative value analysis	Expected cash flows	4%

NOTE D - INVESTMENTS AND CHARITABLE SPLIT-INTEREST AGREEMENTS (CONTINUED)

The following table describes the redemption terms for investments measured at NAV for fiscal-years 2018 and 2017:

	June 30, 2018 Fair Value	June 30, 2017 Fair Value	Redemption Frequency	Redemption Notice Period
	(in thousands)			
Investments in limited partnerships:				
Equity and fixed income	**$ 10,113**	$ 9,465	Monthly	6 to 30 days
Equity and fixed income	**2,949**	6,641	Quarterly	60 to 65 days
Equity and fixed income	**879**	1,031	Bi-annual	60 days
Equity and fixed income	**1,099**	1,282	December 2018, thereafter one year lock-up	45 to 105 days
Private equity	**160**	133	Upon dissolution of the partnership or sale to a third party	Upon dissolution of the partnership or sale to a third party
	$ 15,200	$ 18,552		

There were no unfunded commitments related to these investments as of June 30, 2018 and 2017.

NOTE E - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	June 30, 2018	June 30, 2017
	(in thousands)	
Land	**$ 2,525**	$ 2,525
Buildings improvements	**52,035**	48,682
Furniture and equipment	**56,136**	52,599
	110,696	103,806
Less accumulated depreciation and amortization	**(84,424)**	(80,038)
Construction-in-progress	**1,579**	1,613
	$ 27,851	$ 25,381

During fiscal-year 2018, the 92Y disposed of furniture and equipment no longer in use of approximately $26,000. The disposition resulted in a loss of approximately $6,000. There were no disposals during fiscal-year 2017.

NOTE F - CHANGE IN UNRESTRICTED NET ASSETS

	Year Ended June 30, 2018	Year Ended June 30, 2017
	(in thousands)	
Operating fund change in net assets before significant one-time events and capital expenditures	**$ 1,550**	$ 18,873
Expenses associated with significant-one time events	**(554)**	(1,990)
Operating fund change in net assets	**996**	16,883
Property and equipment change in net assets before significant-one time events	**822**	(3,084)
Total change in unrestricted net assets	**$ 1,818**	$ 13,799

The 92Y maintains a positive total net asset position as of June 30, 2018 and June 30, 2017, respectively. However, the 92Y's unrestricted net assets are in a deficit position for both years. Expenses associated with significant one-time events include employee separation costs, restructuring costs, vendor and other settlement costs.

The property and equipment change in net assets includes depreciation and amortization costs. Management's plans to mitigate this position include (i) improved operating results, new and expanded fundraising and earned revenue streams, and ongoing expense savings and (ii) future releases of temporarily restricted net assets from satisfaction of donor-imposed purpose restrictions, the lapse of donor-imposed time restrictions and collections of pledges receivable.

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2018 and 2017, temporarily restricted net assets of approximately $48,188,000 and $39,968,000, respectively, were available for educational and cultural activities, and capital expenditures.

During each fiscal year, net assets released from restrictions consisted of the following:

	Year Ended June 30, 2018	Year Ended June 30, 2017
	(in thousands)	
Educational and cultural activities	**$ 7,892**	$ 11,180
Capital expenditures	**5,227**	1,326
	$ 13,119	$ 12,506

During fiscal-years 2018 and 2017, net assets released from restrictions for educational and cultural activities included approximately $981,000 and $732,000, respectively, of amounts appropriated from the endowment.

NOTE H - ENDOWMENT

[1] The endowment:

The endowment consists of 94 donor-restricted endowment funds established for a variety of purposes.

[2] Interpretation of relevant law:

As discussed in Note A[9], NYPMIFA is applicable to all of the 92Y's institutional funds, including its donor-restricted endowment funds. The Board of Directors continues to adhere to NYPMIFA's requirements.

[3] Endowment net asset composition by type of fund, as of each fiscal-year-end:

	June 30, 2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	(in thousands)			
Donor-restricted endowment funds	$ (1,393)	$ 911	$ 56,454	$ 55,972

	June 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	(in thousands)			
Donor-restricted endowment funds	$ (1,418)	$ 856	$ 56,330	$ 55,768

[4] Changes in endowment net assets, during each fiscal-year:

	Year Ended June 30, 2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	(in thousands)			
Endowment net assets, beginning of year (including contributions receivable of $15,650)	$ (1,418)	$ 856	$ 56,330	$ 55,768
Contributions	-	-	295	295
Reinvestment of earned income to corpus	-	-	24	24
Modification of contribution designation	-	15	(195)	(180)
Endowment earnings	-	-	1,046	1,046
Transfer of income to temporarily restricted funds	-	1,046	(1,046)	-
Appropriation of endowment assets for expenditure	-	(981)	-	(981)
Recovery of underwater funds	25	(25)	-	-
Endowment net assets, end of year (including contributions receivable of $13,500)	$ (1,393)	$ 911	$ 56,454	$ 55,972

NOTE H - ENDOWMENT (CONTINUED)

[4] Changes in endowment net assets, during each fiscal-year: (continued)

	Year Ended June 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	(in thousands)			
Endowment net assets, beginning of year (including contributions receivable of $16,000)	$ (3,075)	$ 173	$ 67,552	$ 64,650
Contributions	-	-	3,758	3,758
Reinvestment of earned income to corpus	-	-	20	20
Modification of contribution designation	-	550	(15,000)	(14,450)
Endowment earnings	-	-	2,522	2,522
Transfer of income to temporarily restricted funds	-	2,522	(2,522)	-
Appropriation of endowment assets for expenditure	-	(732)	-	(732)
Recovery of underwater funds	1,657	(1,657)	-	-
Endowment net assets, end of year (including contributions receivable of $15,650)	$ (1,418)	$ 856	$ 56,330	$ 55,768

[5] Return objectives and risk parameters:

The 92Y has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets.

[6] Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the 92Y relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The 92Y, under the direction of the Board of Directors' investment committee, targets a mix of assets, including cash, money-market funds, securities and various investments in limited partnerships, to achieve its long-term return objectives within prudent risk constraints.

[7] Spending policy:

The 92Y has a policy of making available for operating expenses each year a portion of its endowment fund's average fair value over the 12 months of the fiscal year. The 92Y's expenditure was calculated using a spending rate of approximately 2% - 3% in both years. In establishing this policy, the 92Y considered the long-term expected return on its endowment. This is consistent with the 92Y's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

NOTE H - ENDOWMENT (CONTINUED)

[8] Funds with deficiencies:

Due to unfavorable market fluctuations, from time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historic dollar-value of the donor's original permanently restricted contribution. Funds with deficiencies amounted to approximately $1,393,000 and $1,418,000 in fiscal-year 2018 and 2017, respectively. Under the terms of NYPMIFA, the 92Y has no responsibility to restore such decreases in value.

NOTE I - EMPLOYEE BENEFIT PLANS

Personnel of the 92Y are eligible for pension benefits, and those who elect to participate are covered by the Retirement Plan of Federation of Jewish Philanthropies of New York and Beneficiary Societies. In addition, the 92Y pays pension expenses for employees in the plans of the Local 306 and IATSE unions. Pension expense for fiscal-years 2018 and 2017 was approximately $1,527,000 and $1,388,000, respectively.

In addition, the 92Y offers a voluntary Section 403(b) retirement plan for its employees, but does not contribute to the plan.

NOTE J - RELATED-PARTY TRANSACTIONS

[1] Related parties - consulting:

The 92Y received donated consulting services amounting to $70,000 for both years. A member of the Board of Directors is one of the partners in the consulting firm.

[2] Related parties - investments:

A member of the Board of Directors contributed funds to the 92Y and directed those funds to be invested in a certain limited-partnership investment that is managed by the Board member's firm. The 92Y liquidated its investment in the limited partnership during fiscal-year 2018.

[3] Related parties - contributions:

During fiscal-years 2018 and 2017, the 92Y received contributions of approximately $20,053,000 and $8,231,000, respectively, from the members of the Board of Directors. This level of Board participation represented 58% and 28% of total contributions and grants, and annual events in fiscal-years 2018 and 2017, respectively.

NOTE K - CONCENTRATION OF CREDIT RISK

The 92Y maintains its cash and cash equivalents in various bank accounts, the amounts of which may at times exceed federally insured limits. In addition, the 92Y's cash investments are placed with high-credit-quality financial institutions. Management believes there is not a substantial likelihood that the financial institutions will fail and that the 92Y is not subject to a risk of loss beyond that which may be related to market changes.

NOTE L - DONATED GOODS AND SERVICES

[1] Volunteers:

Certain unpaid volunteers have made significant contributions of their time to the 92Y. However, these services have not been reported in the financial statements, as they neither require specialized skills nor would have been purchased had they not been donated.

[2] Public Service Announcements:

For the fiscal-years 2018 and 2017, the 92Y receives in-kind contributions in the form of donated placements of public service announcements ("PSAs") on radio stations and in magazines and newspapers, which amounted to approximately $72,000 and $103,000, respectively.

[3] Annual Events:

In 2018 and 2017, the 92Y received annual event services of $38,000 and $126,000, respectively. The fair value of all in-kind contributions recognized as revenue and expense in the accompanying financial statements amounted to approximately $180,000 and $299,000 for fiscal-years 2018 and 2017, respectively (see also Note J[1]).

NOTE M - COMMITMENTS AND CONTINGENCY

[1] Leases:

(i) Operating leases:

The 92Y leases program space and office equipment under operating leases with terms that expire through January 31, 2021, with future minimum rental payments as follows:

Year Ending June 30,	Amount
	(in thousands)
2019	$ 1,161
2020	973
2021	954
	$ 3,088

Rent expense for fiscal-years 2018 and 2017 was approximately $1,193,000 and $1,204,000, respectively.

NOTE M - COMMITMENTS AND CONTINGENCY (CONTINUED)

[1] Leases: (continued)

(ii) Capital lease:

The 92Y also leases LED lighting under a capital lease agreement that will terminate in January 2021. The interest rate related to the lease obligation is 3.9% (net of the impact of an electric provider's rebate of $178,000), which will mature in January 2021. The capital lease obligation is reported as a part of accounts payable and accrued expenses in the accompanying financial statements. The following is a schedule of the future minimum lease payments:

Year Ending June 30,	Amount (in thousands)
2019	$ 119
2020	129
2021	81
	$ 329

[2] Legal:

The 92Y is a defendant in legal actions arising in the normal course of its operations. The final outcome of these actions would be immaterial, and no related amounts have been accrued and reported in the financial statements.

[3] Other contracts:

The 92Y has entered into various contracts and agreements in the normal course of its business operations.

NOTE N - PROGRAM AND SUPPORTING SERVICES

Generally accepted accounting principles require all of the 92Y's expenses to be reported on a functional basis. Accordingly, total expenses were allocated among program and supporting services as follows:

	Year Ended June 30, 2018	2017
	(in thousands)	
Program	**$ 59,025**	$ 57,413
Management and general	**6,631**	6,619
Fund-raising	**5,802**	5,654
	$ 71,458	$ 69,686

The above expenses include direct benefit-to-donor expenses that are offset against revenue in the statements of activities and significant one-time expenses which are stated separately on the statement of activities.