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

FINANCIAL STATEMENTS

JUNE 30, 2017 and 2016

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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, 2017 and 2016, 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.

Auditors' 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 judgments, 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, 2017 and 2016, 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

New York, New York
November 15, 2017

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

Statements of Financial Position
(in thousands)

	June 30, 2017	June 30, 2016
ASSETS		
Cash and cash equivalents	**$ 1,459**	$ 2,541
Contributions receivable, net	**42,949**	40,448
Investments	**34,607**	32,129
Prepaid expenses and other assets	**2,923**	3,370
Accounts and other receivables, net	**870**	1,595
Property and equipment, net	**25,381**	24,038
	$ 108,189	$ 104,121
LIABILITIES		
Accounts payable and accrued expenses	**$ 6,225**	$ 8,120
Security deposits payable	**112**	136
Deferred revenue	**13,900**	13,738
	20,237	21,994
Commitments and contingency (see Note M)		
NET ASSETS		
Unrestricted (see Note F)	**(8,346)**	(22,145)
Temporarily restricted	**39,968**	36,720
Permanently restricted	**56,330**	67,552
	87,952	82,127
	$ 108,189	$ 104,121

See notes to financial statements

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

Statements of Activities
(in thousands)

	Year Ended June 30,							
	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:								
Contributions and grants (including in-kind gifts of $299 in 2017 and $238 in 2016, respectively)	$ 8,083	$ 13,353	$ 3,758	$ 25,194	$ 10,992	$ 11,450	$ 16,443	$ 38,885
Annual events (net of direct benefit to donors of $1,532 in 2017 and $1,315 in 2016, respectively)	4,537			4,537	4,983			4,983
Program service revenue	33,396			33,396	32,717			32,717
Investment income (loss), net	(2,552)	4,058	20	1,526	1,500	(325)	380	1,555
Rental and other income	9,326			9,326	9,003			9,003
Support and revenue before net assets released from restrictions	52,790	17,411	3,778	73,979	59,195	11,125	16,823	87,143
Net assets released from restrictions:								
Satisfaction of program restrictions	11,180	(11,180)		0	9,463	(9,463)		0
Capital - released income	1,326	(1,326)		0	722	(722)		0
Modification of contribution designation	15,000		(15,000)	0				
Transfer of net assets					(1,337)	1,337		0
Recovery of underwater funds	1,657	(1,657)		0				
Total support and revenue	81,953	3,248	(11,222)	73,979	68,043	2,277	16,823	87,143
Expenses:								
Program services:								
Educational Outreach	1,268			1,268	1,105			1,105
School of the Arts	8,518			8,518	8,106			8,106
Bronfman Center for Jewish Life	2,646			2,646	3,159			3,159
Tisch Center for the Arts	5,276			5,276	5,058			5,058
Charles Simon Center for Adult Life and Learning	9,003			9,003	8,823			8,823
Lillian and Sol Goldman Family Center for Youth and Family	15,063			15,063	14,747			14,747
May Center for Health, Fitness and Sport	11,944			11,944	11,444			11,444
Milstein and Rosenthal Center for Media and Technology	107			107	346			346
Agency Wide Initiatives	1,106			1,106	1,845			1,845
Innovation and Social Impact	2,482			2,482	2,900			2,900
Total program services	57,413			57,413	57,533			57,533
Supporting services:								
Management and general	4,629			4,629	4,982			4,982
Fund-raising	4,122			4,122	3,801			3,801
Total supporting services	8,751			8,751	8,783			8,783
Total expenses before significant one-time events	66,164			66,164	66,316			66,316
Change in net assets before significant one-time events	15,789	3,248	(11,222)	7,815	1,727	2,277	16,823	20,827
Expenses associated with significant one-time events (see Note F)	(1,990)			(1,990)	(2,480)			(2,480)
Change in net assets	13,799	3,248	(11,222)	5,825	(753)	2,277	16,823	18,347
Net assets, beginning of year	(22,145)	36,720	67,552	82,127	(21,392)	34,443	50,729	63,780
Net assets, end of year (Note F)	$ (8,346)	$ 39,968	$ 56,330	$ 87,952	$ (22,145)	$ 36,720	$ 67,552	$ 82,127

See notes to financial statements

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

Statements of Functional Expenses
Year Ended June 30, 2017 and 2016
(in thousands)

	Program Services											Supporting Services			
	Educational Outreach	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	Innovation and Social Impact	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Total
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**
Program expenses	**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**	**0**	**1**	**1**	**3,291**
Miscellaneous expenses	**7**	**369**	**130**	**137**	**410**	**886**	**518**	**3**	**43**	**68**	**2,571**	**74**	**94**	**168**	**2,739**
Depreciation	**2**	**196**	**54**	**14**	**599**	**414**	**606**	**38**	**2**	**5**	**1,930**	**2,480**	**0**	**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												**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**
June 30, 2016:															
Salaries	$ 684	$ 4,287	$ 1,841	$ 2,188	$ 3,848	$ 7,224	$ 4,873	$ 185	$ 921	$ 1,111	$ 27,162	$ 1,735	$ 2,273	$ 4,008	$ 31,170
Employee benefits and payroll taxes	117	846	440	732	1,046	1,455	989	45	235	312	6,217	400	714	1,114	7,331
Total employee expenses	801	5,133	2,281	2,920	4,894	8,679	5,862	230	1,156	1,423	33,379	2,135	2,987	5,122	38,501
Professional fees	126	1,050	261	1,040	1,042	875	2,195	16	162	704	7,471	214	423	637	8,108
Office expenses	33	169	59	99	232	307	249	9	44	89	1,290	81	97	178	1,468
Program expenses	72	291	160	349	202	2,777	634	10	248	397	5,140	16	165	181	5,321
Marketing expenses	1	521	60	469	246	82	251	6	53	134	1,823	19	40	59	1,882
Repairs, maintenance, and occupancy	16	346	87	87	1,093	531	999	8	79	27	3,273	16	1	17	3,290
Miscellaneous expenses	54	403	199	79	505	1,034	604	25	101	121	3,125	209	88	297	3,422
Depreciation	2	193	52	15	609	462	650	42	2	5	2,032	2,292		2,292	4,324
Total	1,105	8,106	3,159	5,058	8,823	14,747	11,444	346	1,845	2,900	57,533	4,982	3,801	8,783	66,316
Total one-time costs												2,480		2,480	2,480
Total expenses	$ 1,105	$ 8,106	$ 3,159	$ 5,058	$ 8,823	$ 14,747	$ 11,444	$ 346	$ 1,845	$ 2,900	$ 57,533	$ 7,462	$ 3,801	$ 11,263	$ 68,796

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

Statements of Cash Flows
(in thousands)

	Year Ended June 30, 2017	Year Ended June 30, 2016
Cash flows from operating activities:		
Change in net assets	**$ 5,825**	$ 18,347
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**4,410**	4,324
Bad debt expense	**301**	426
Net realized and unrealized gains on investments	**(1,226)**	(1,370)
Donated note receivable	**(1,309)**	
Change in the fair value of charitable remainder unitrust	**(165)**	119
Permanently restricted contributions	**(3,226)**	(1,907)
Changes in:		
Contributions receivable	**(2,637)**	(13,197)
Prepaid expenses and other assets	**447**	(769)
Accounts and other receivables	**725**	(985)
Accounts payable and accrued expenses	**(1,797)**	2,811
Security deposits payable	**(24)**	53
Deferred revenue	**162**	(212)
Net cash provided by operating activities	**1,486**	7,640
Cash flows from investing activities:		
Proceeds from sales and redemptions of investments	**7,659**	7,150
Purchases of investments	**(7,602)**	(9,541)
Purchases of property and equipment	**(5,753)**	(6,913)
Net cash used in investing activities	**(5,696)**	(9,304)
Cash flows from financing activities:		
Permanently restricted contributions	**3,226**	1,907
Principal payments under capital lease obligations	**(98)**	(38)
Net cash provided by financing activities	**3,128**	1,869
Change in cash and cash equivalents	**(1,082)**	205
Cash and cash equivalents, beginning of year	**2,541**	2,336
Cash and cash equivalents, end of year	**$ 1,459**	$ 2,541
Supplemental disclosure of cash-flow information:		
Interest paid on capital lease obligation	**$ 45**	$ 21
Taxes paid	**$ 250**	$ 250
Non-cash transactions:		
Purchase of property and equipment under capital lease obligation	**$ 0**	$ 572
Donated goods and services	**$ 299**	$ 238

See notes to financial statements

NOTE A - ORGANIZATION AND SUMMARY OF ITS SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of accounting:

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 accompanying 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] Applicability of NYPMIFA:

The terms of the New York Prudent Management of Institutional Funds Act ("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. In essence, 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.

[4] Functional allocation of expenses:

The expense of providing the 92Y's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services in ratios determined by management using the following bases: direct expenses and marketing, payroll taxes and employee benefits, stagehand expenses, programmatic square footage, and computer hardware.

[5] 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.

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

[6] Cash and cash equivalents:

For financial reporting purposes, the 92Y considers all highly liquid financial investments with a maturity of three months or less when purchased to be cash equivalents. The 92Y's investment portfolio includes cash held for investments, for which the balances are reported as investments in the accompanying financial statements.

[7] Investments:

Investments in marketable securities with readily determinable fair values and mutual funds are maintained in an investment account and are reported at their fair values at fiscal year-end in the accompanying statements of financial position, with realized and unrealized gains and losses included in the accompanying statements of activities. Investments in limited partnerships and investments in private equity funds are carried at their original cost basis and are valued using net asset value ("NAV") per share as a practical expedient of fair value.

The 92Y reviews and evaluates the values provided by the investment fund managers and believes the reported amounts of the investments in limited partnerships and private equity funds to be reasonable estimates of fair value at NAV as a practical expedient. Estimated fair values may differ significantly from the values that would have been reported had a ready market for these securities existed. Net investment income is recorded as unrestricted, unless specifically restricted by the donors or by state law.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments are determined by comparison of the average cost of acquisition to the proceeds at the time of disposition. The earning from dividends and interest are recognized when earned.

The 92Y maintains an investment portfolio advisor to oversee certain activities 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 subject to 4% interest per annum and payable in annual installments through 2020. 92Y is valuing the donation at principal, which is the conservative estimate of recoverable value.

Donated securities are recorded at their estimated fair values, as determined by the proceeds received 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 accompanying statement of cash flows, donated securities received and sold in the same year are reported in the change in net assets shown in operating activities.

[8] 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.

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

[8] Revenue recognition: (continued)

(i) Contributions, gifts and pledges: (continued)

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 purpose, time, and/or collection of pledges.

(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 events are deferred and subsequently recognized as revenue as the events take place.

(iii) Rental income:

Rental income 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 accompanying statements of activities (see Notes J and L).

[9] 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.

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

[10] Allowance for doubtful accounts:

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

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

[11] 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. 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, 2017 and 2016, 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.

[12] 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, 2017 and 2016, this accrued vacation obligation was approximately $340,000 and $337,000, respectively. 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 it knows have met all the criteria above.

[13] 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 NYPMIFA (see Note A[3]) and those resources for which the use has been restricted by donors or by state law 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 accompanying 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.

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

[13] Net assets: (continued)

(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 mostly classified as temporarily restricted in the accompanying statements of activities, pending appropriations by the Board of Directors.

[14] 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.

[15] Recent accounting pronouncement:

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 amends financial-statement presentation 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 when it becomes effective.

[16] Subsequent events:

The 92Y considers the accounting treatments, and the related disclosures in the current fiscal-year's financial statements, that may be required as the result of all events or transactions that occur after June 30, 2017 through November 15, 2017, the date on which the financial statements were available to be issued.

[17] Reclassification:

Certain disclosures in the fiscal-year 2016 financial statements have been reclassified to conform to the current-year's presentation.

NOTE B - CONTRIBUTIONS RECEIVABLE

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

	June 30, 2017	June 30, 2016
	(in thousands)	
Less than one year	**$ 8,701**	$ 8,367
One to five years	**19,608**	17,163
	28,309	25,530
Less discount to present value with rates ranging from 0.72% to 6%	**(1,031)**	(771)
	27,278	24,759
Less allowance for doubtful accounts	**(199)**	(398)
	27,079	24,361
Charitable remainder unitrusts	**17,435**	17,270
Less discount to present value	**(2,593)**	(2,271)
	14,842	14,999
Charitable lead annuity trust	**1,168**	1,246
Less discount to present value	**(140)**	(158)
	1,028	1,088
	$ 42,949	$ 40,448

In fiscal-years 2017 and 2016, 92Y wrote-off contributions receivable of $400,000 and $330,000, 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, 2017	June 30, 2016
	(in thousands)	
Accounts receivable	**$ 720**	$ 1,417
Accounts receivable - Health and Fitness	**16**	34
Accounts receivable - Youth and Family	**154**	176
	890	1,627
Less allowance for doubtful accounts	**(20)**	(32)
	$ 870	$ 1,595

In fiscal-years 2017 and 2016, 92Y wrote-off accounts and other receivables of $75,000 and $102,000, respectively.

NOTE D - INVESTMENTS

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

	June 30,			
	2017		2016	
	Fair Value	Cost	Fair Value	Cost
	(in thousands)			
Cash and money-market funds	**$ 6,416**	**$ 6,416**	$ 4,752	$ 4,752
Investments in limited partnerships	**18,419**	**26,705**	18,016	25,873
Private equity securities	**133**	**499**	114	499
Mutual funds	**8,330**	**7,678**	9,247	9,387
Donated note receivable	**1,309**	**1,309**	0	0
	$ 34,607	**$ 42,607**	$ 32,129	$ 40,511

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

	Year Ended June 30,	
	2017	2016
	(in thousands)	
Interest, dividends and capital gain dividends, net	**$ 135**	$ 304
Net realized gains (losses) on sales of investments	**844**	(119)
Net unrealized gains on investments	**382**	1,489
Change in the fair value of charitable remainder unitrusts	**165**	(119)
	$ 1,526	$ 1,555

Investment income is reported net of investment, management, performance and custodial fees of approximately $391,000 and $296,000 for fiscal-years 2017 and 2016, 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.

At June 30, 2017, concentrations of the 92Y's investments in excess of 10% of the fair-value of its portfolio included approximately 55% invested in limited partnerships, 25% in mutual funds, and 19% in cash and money-market funds. At June 30, 2016, concentrations of the 92Y's investments in excess of 10% of the fair-value of its portfolio included approximately 56% invested in limited partnerships, 29% in mutual funds, and 15% in cash and money-market funds.

NOTE D - INVESTMENTS (CONTINUED)

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 hierarchy:

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

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

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

In addition, ASU Topic 820 removes the requirement to categorize, within the fair-value hierarchy all investments for which fair value is measured using NAV per share (or its equivalent unit) as a practical expedient. The use of this practical expedient is applicable for investments (i) which do not have a readily determinable fair value, and (ii) are included in financial statements prepared by the respective investment managers, in a manner consistent with the measurement principles of an investment company or of an entity that has the attributes of an investment company.

The 92Y's investments are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment securities, 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 accompanying financial statements.

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 2017 and 2016, there were no transfers among fair-value hierarchy levels.

NOTE D - INVESTMENTS (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, 2017				
	Amounts within Fair-Value Hierarchy				
	Level 1	Level 3	Total	Valued at NAV	Total
			(in thousands)		
Cash and money-market funds	**$ 6,416**		**$ 6,416**		**$ 6,416**
Investments in limited partnerships				**$ 18,419**	**18,419**
Private equity securities				**133**	**133**
Mutual funds	**8,330**		**8,330**		**8,330**
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**
	$ 14,746	**$ 17,179**	**$ 31,925**	**$ 18,552**	**$ 50,477**

	June 30, 2016				
	Amounts within Fair-Value Hierarchy				
	Level 1	Level 3	Total	Valued at NAV	Total
			(in thousands)		
Cash and money-market funds	$ 4,752		$ 4,752		$ 4,752
Investments in limited partnerships				$ 18,016	18,016
Private equity securities				114	114
Mutual funds	9,247		9,247		9,247
Total investments	13,999		13,999	18,130	32,129
Charitable remainder unitrusts		$ 14,999	14,999		14,999
Charitable lead annuity trust		1,088	1,088		1,088
Total	$ 13,999	$ 16,087	$ 30,086	$ 18,130	$ 48,216

NOTE D - INVESTMENTS (CONTINUED)

The following tables summarize the changes in the fair-values of the 92Y's Level 3 investments during fiscal-years 2017 and 2016:

	Year Ended June 30, 2017			
	Donated Note Receivable	**Charitable Remainder Unitrusts**	**Charitable Lead Annuity Trust**	**Total**
		(in thousands)		
Balance, July 1, 2016		**$ 14,999**	**$ 1,088**	**$ 16,087**
Contributions	**$ 1,309**			**1,309**
Unrealized gains		**165**		**165**
Sales/distributions			**(78)**	**(78)**
Change in the value of split-interest agreements		**(322)**	**18**	**(304)**
Balance, June 30, 2017	**$ 1,309**	**$ 14,842**	**$ 1,028**	**$ 17,179**

	Year Ended June 30, 2016		
	Charitable Remainder Unitrust	**Charitable Lead Annuity Trust**	**Total**
		(in thousands)	
Balance, July 1, 2015	$ 1,414	$ 1,173	$ 2,587
Contributions	15,000		15,000
Unrealized losses	(119)		(119)
Sales/distributions		(78)	(78)
Change in the value of split-interest agreements	(1,296)	(7)	(1,303)
Balance, June 30, 2016	$ 14,999	$ 1,088	$ 16,087

NOTE D - INVESTMENTS (CONTINUED)

Qualification of unobservable inputs (in thousands):

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range
Charitable remainder unitrusts	14,842	Fair value of underlying trust assets	Expected recovery	N/A
Charitable lead annuity trust	1,028	Fair value of underlying trust assets	Expected recovery	N/A
Donated note receivable	1,309	Relative value analysis	Expected recovery	4%

The following table describes the redemption terms for levels 2 and 3 investments for the current fiscal year:

	June 30, 2017 Fair Value (in thousands)	2016 Fair Value (in thousands)	Redemption Frequency	Redemption Notice Period
Investments in limited partnerships	**$ 18,419**	$ 18,016	Monthly-Annually	6 to 90 days
Donated note receivable	**1,309**	0	Annually	None
Private equity securities	**133**	144	Upon dissolution of the partnership or sale to a third party	Upon dissolution of the partnership or sale to a third party
Total	**$ 19,861**	$ 18,130		

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

NOTE E - PROPERTY AND EQUIPMENT

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

	June 30, 2017	2016
	(in thousands)	
Land	**$ 2,525**	$ 2,525
Buildings improvements	**48,682**	47,177
Furniture and equipment	**52,599**	48,375
	103,806	98,077
Less accumulated depreciation	**(80,038)**	(75,628)
Construction-in-progress	**1,613**	1,589
	$ 25,381	$ 24,038

NOTE F - CHANGE IN UNRESTRICTED NET ASSETS

	Year Ended June 30, 2017	Year Ended June 30, 2016
	(in thousands)	
Operating fund change in net assets before significant one-time events	**$ 18,873**	$ 5,333
Expenses associated with significant-one time events	**(1,990)**	(2,480)
Operating fund change in net assets	**16,883**	2,853
Property and equipment change in net assets before significant-one time events	**(3,084)**	(3,606)
	$ 13,799	$ (753)

The 92Y maintains a positive total net asset position as of June 30, 2017 and June 30, 2016, respectively. However, the 92Y's unrestricted net assets are in a deficit position for both years. Expenses associated with a 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 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, the lapse of donor-imposed time restrictions and collections of pledges receivable.

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2017 and 2016, temporarily restricted net assets of $39,968 and $36,720, 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, 2017	Year Ended June 30, 2016
	(in thousands)	
Program:		
Educational and cultural activities	**$ 10,155**	$ 8,724
Appropriation of endowment earnings	**1,025**	739
Capital expenditures	**1,326**	722
	$ 12,506	$ 10,185

NOTE H - ENDOWMENT

[1] The endowment:

The endowment consists of 95 donor-restricted endowment funds established for a variety of purposes.

[2] Interpretation of relevant law:

As discussed in Note A[3], 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, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	(in thousands)			
Donor-restricted endowment funds	$ (1,418)	$ 856	$ 56,330	$ 55,768

	June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	(in thousands)			
Donor-restricted endowment funds	$ (3,075)	$ 173	$ 67,552	$ 64,650

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

	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)
Accumulated endowment earnings			2,522	2,522
Transfer of income to temporarily restricted funds		2,522	(2,522)	0
Appropriation of endowment assets for expenditure		(732)		(732)
Recovery of underwater funds	1,657	(1,657)		0
Endowment net assets, end of year (including contributions receivable of $15,650)	$ (1,418)	$ 856	$ 56,330	$ 55,768

NOTE H - ENDOWMENT (CONTINUED)

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

	Year Ended June 30, 2016			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Endowment net assets, beginning of year (including contributions receivable of $6,000)	$ (1,738)	$ 333	$ 50,729	$ 49,324
Contributions			16,443	16,443
Reinvestment of earned income to corpus			380	380
Accumulated endowment earnings			(758)	(758)
Transfer of income to temporarily restricted funds		(758)	758	
Appropriation of endowment assets for expenditure		(739)		(739)
Underwater	(1,337)	1,337		
Endowment net assets, end of year (including contributions receivable of $16,000)	$ (3,075)	$ 173	$ 67,552	$ 64,650

[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 and private equity securities, 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 92 Y'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.

[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 $1,418,000 and $3,075,000 in fiscal-year 2017 and 2016, 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 2017 and 2016 was approximately $1,388,000 and $1,262,000 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] In-kind contributions from related parties:

(i) 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.

(ii) In fiscal-year 2016, the 92Y received donated legal services amounting to $75,000. The donated legal services was rendered by a law firm, which has a partner whose spouse is a member of the 92Y's Board of Directors.

[2] 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.

[3] During fiscal-years 2017 and 2016, the 92Y received contributions of approximately $8,231,000 and $23,419,000, respectively, from the members of the Board of Directors. This level of Board participation represented 28% and 53% of total contributions and grants, and annual events in fiscal-years 2017 and 2016, 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

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

For the fiscal-years 2017 and 2016, 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 $103,000 and $93,000 respectively. In 2017, the 92Y received special event services of $126,000. The fair value of all in-kind contributions recognized as revenue and expense in the accompanying financial statements amounted to approximately $299,000 and $238,000 for fiscal-years 2017 and 2016, respectively.

NOTE M - COMMITMENTS AND CONTINGENCY

[1] Leases:

(i) 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)
2018	$ 1,195
2019	1,161
2020	973
2021	954
	$ 4,283

Rent expense for fiscal-years 2017 and 2016 was approximately $1,204,000 and $1,056,000, respectively.

(ii) 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)
2018	$ 107
2019	119
2020	129
2021	81
	$ 436

[2] Legal:

(i) On August 16, 2016, the 92Y settled a lawsuit with a former employee for an amount which was accrued in the accompanying financial statements in fiscal-year 2016 and paid during fiscal-year 2017.

(ii) 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 accompanying financial statements.

[3] Construction in progress:

At June 30, 2017 and 2016, the 92Y had contractual commitments with regard to construction-in-progress that totaled approximately $154,000 and $383,000, respectively. As of June 30, 2017, the total costs of construction pertaining to related security upgrades is estimated to approximate $3,234,000.

NOTE M - COMMITMENTS AND CONTINGENCY (CONTINUED)

[4] 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, 2017	Year Ended June 30, 2016
	(in thousands)	
Program	**$ 57,413**	$ 57,533
Management and general	**7,010**	7,758
Fund-raising	**5,654**	5,116
	$ 70,077	$ 70,407

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